

Memorable
mountain
experiences
– all year round



OUR POSITION

As the leading holiday organiser for Scandinavia, our vision is to create memorable mountain experiences all year round

OUR HISTORY

- 2021** Launch of SkiStar Sports & Adventures
- 2005** Acquisition of Trysil
- 2001** The Group adopts the name SkiStar
- 2000** Acquisition of Hemsedal
- 1999** Acquisition of Åre and Vermdalen
- 1997** Acquisition of Tandådalen and Hundfjället
- 1994** Lindvallen i Sälen AB is listed on the Stockholm Stock Exchange
- 1975** Brothers Erik and Mats Paulsson buy the ski resort Lindvallen in Sälen

32

MILLION VISITS
TO SKISTAR'S DIGITAL
PLATFORMS

17%

REDUCTION IN CO₂
YEAR-ON-YEAR

4.4

MILLION SKIER DAYS

51,843

SHAREHOLDERS AT YEAR-END

92%

SATISFIED GUESTS,
WINTER 2020/21



We are SkiStar

SkiStar AB is listed on Nasdaq Stockholm Mid Cap list and operates Scandinavia's largest mountain resorts in Sälen, Vemdalen, Åre and Hammarbybacken (Stockholm) in Sweden, Hemsedal and Trysil in Norway and St. Johann in Tirol in Austria.

As the leading holiday organiser for Scandinavia, we at SkiStar want to create memorable mountain experiences with a focus on alpine skiing in the winter and active holidays in the summer. Our operations are divided into three segments: Operation of Mountain Resorts, Property Development & Exploitation and Operation of Hotels. As part of our increasing investment in the domestic market in Scandinavia, SkiStar decided on 5 May 2021 to divest its ownership share in St. Johann in Tirol, but the transaction is not yet complete.

We continuously develop skistar.com as the leading holiday distribution platform in our markets. Skistar.com, skistarshop.com and the SkiStar App have more than 32 million visits per year combined. Thanks to our scalable business model, we are currently able to offer core products such as the SkiPass, ski school, ski and bike rentals and the SkiStar Lodge accommodation concept – always with a focus on our guests' experience. Active business development forms the basis of our efforts to continually grow in both new and existing areas. This active development along with our fantastic employees is critical for ensuring satisfied guests.

The strong staycation trend in Scandinavia – with active mountain holidays all year round together with family and friends – is here to stay. Through the SkiStar Sports & Adventures summer concept, we made the biggest summer investment ever in our 45-year history. This means that SkiStar can offer memorable mountain experiences and activities all year round. There is a strong interest in alpine skiing and this remains the core of our operations, while the summer period offers further opportunities through lift-assisted hiking, Downhill MTB, Trail Bike, running and other activities such as climbing parks and padel courts.



SUSTAINABLE MOUNTAIN EXPERIENCES

We want to protect both nature and humans in the short and long term so that more people can enjoy memorable and sustainable mountain experiences in the future. We therefore developed a new sustainability strategy

in 2020/21 based on Agenda 2030 and the UN's 17 Sustainable Development Goals. To best integrate the sustainability initiatives into SkiStar's business, the strategy focuses on three prioritised areas:



ACTIVITY & RECREATION

We work to promote an active lifestyle that contributes to greater wellbeing. We can reach more guests and contribute to active holiday experiences in nature all year round through collaborations and initiatives.



ECOSYSTEM & IMPACT

We at SkiStar protect nature, just as nature protects us. We work to minimise our impact through ambitious climate targets and more circular systems. We make it possible for our guests to make climate-smart choices.



DIALOGUE & INTERACTION

By collaborating we can accelerate sustainable development. We take responsibility in the areas in which we operate and throughout the entire value chain by focusing on dialogue and interaction. Together with our stakeholders, we enable long-term and sustainable solutions that contribute to positive trends in business and the wider community.

> Read more about our sustainability initiatives on pages 35–46.



BUSINESS CONCEPT

Our business concept is to create memorable mountain experiences, develop sustainable destinations and offer accommodation, activities, products and services of the highest quality with a focus on our guests.

SkiStar's destinations

Sälen*

Northern Europe's largest alpine skiing area: Scandinavia's best family resort.

* SKISTAR HAMMARBY BACKEN

Stockholm's most central alpine ski slope. Belongs organisationally to Sälen.

HEMSEDAL*

Scandinavia's alps: High peaks, staggering views and adventurous skiing.

VEMDALEN*

A mountain gem: Great skiing with many vertical metres as well as state-of-the-art holiday carving.

OTRYSIL

Norway's largest ski resort: A modern destination for families who love skiing.

ÅRE*

Cosmopolitan atmosphere: A unique combination of skiing and entertainment in northern Europe's cosiest and trendiest mountain village.

SKISTAR St. Johann IN TIROL

A family resort in the heart of the Tyrol: Accessible and relaxing destination for pleasure-seekers of all ages. It was decided that SkiStar will divest its ownership share in St. Johann in Tirol, but the transaction is not yet complete.

> Read more on pages 29–34.



Table of contents

INTRODUCTION

Comments from the CEO	6
What's new this winter	8

STRATEGY

SkiStar 2.0	10
How we create valuable and memorable mountain experiences	11
Operating environment and trends	12
SkiStar's offering	13
Further develop core operations	15
Find more sources of revenue	16
Sustainable property transactions	17
Digitalisation; Meet customers where they want to be	18
Creating future business	19
Targets and target achievement	20

OPERATIONS

Our operations	22
Operation of Mountain Resorts	23
Operation of Hotels	25
Property Development & Exploitation	27
Our destinations	
Sälen	29
Vemdalen	30
Åre	31
Hemsedal	32
Trysil	33
St. Johann	34

SUSTAINABILITY

SkiStar and sustainable mountain experiences	36
Sustainability foundations	37
Activity & Recreation	38
Ecosystem & Impact	39
Dialogue & Interaction	42
Employees & Culture	44
Safe & Secure	46

THE SHARE

Five reasons to invest in SkiStar	47
The SkiStar share	48

RISK

Risks and opportunities*	49
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FINANCIAL AND SUSTAINABILITY INFORMATION

Administration report	52
Five-year overview	57
Group financial statements	58
Parent Company financial statements	62
Notes to financial statements	66
Reconciliation of alternative performance measures	99
Sustainability information	100
Sustainability governance	101
Stakeholder dialogues	103
Materiality analysis	104
Target follow-up	105
TCFD climate reporting	107
Sustainability notes	109
GRI index	111
Signatures of the Board and CEO	113
Auditor's report	114
Auditor's report on review of SkiStar's sustainability report	117
Definitions of financial performance measures	118
Other definitions	118

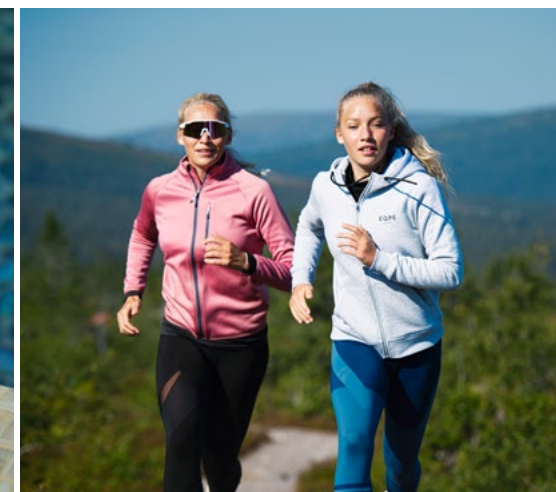
CORPORATE GOVERNANCE

Corporate governance report	119
Auditor's opinion on the Corporate Governance Report	124
Board of Directors	125
Management	126

OTHER INFORMATION

	127
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* Section forms part of the administration report





Comments from the CEO

We end a year in which we have delivered positive results, in the middle of an ongoing pandemic, with strong momentum in business development, acquisitions and divestments.

All Swedish and Norwegian destinations remained open throughout the winter season with more new guests visiting us. However, the absence of foreign guests has had an adverse effect on our earnings. Our new focus on the summer months, SkiStar Sports & Adventures, encouraged more summer guests.

To strengthen our position as the leading holiday organiser for Scandinavia, we decided upon two major strategic transactions during the year. The first was that SkiStar will divest its ownership share in St. Johann in Tirol, although the transaction is not yet complete. The second was a deepening of our collaboration with Peab in Skiab Invest AB, where we jointly own the six best hotels and lodges in Sälen, Trysil and Hemsedal. As a result of the transaction, SkiStar will run all hotels in a new hotel division from 1 July. The transaction enables us to offer our guests an even better overall experience when they visit us. In December 2021, we are opening our latest acquisition: SkiStar Lodge Hundfjället, a brand new lodge in the Sälen mountains and a key part of the development of SkiStar Sälen into an international mountain resort.

The new focus on the summer season enabled us to increase our Q4 2020/21 sales to SEK 246 (162) million. The strong inflow of guests has resulted in an increase in all revenue categories, and we are also seeing additional revenue from our new hotel operations.

It is very pleasing to be able to report a profit after tax of SEK 234 (287) million for the full year 2020/21 in an industry that has been affected by the pandemic and restrictions on travel and socialising. The absence of foreign guests, particularly in Norway, is having a negative impact on earnings.

Our cooperation and dialogue with the wider industry, health-care services, the authorities and our skiing associations prior to the winter season ensured that we were well prepared for another Covid-adapted winter season. At the same time, we invested in digitalisation, including digitalised check-in/check-out and SkiPass purchasing, which has been appreciated by our guests.

THE PAST YEAR: SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- SkiStar prepared and carried out a safe and secure Covid-adapted winter and summer season
- SkiStar took a historic step by launching its summer concept: SkiStar Sports & Adventures
- SkiStar became first to test and develop an electric piste machine in Scandinavia
- SkiStar decided to divest its ownership share in St. Johann in Tirol to strengthen its focus on the domestic market, but the transaction is not yet complete
- SkiStar and Peab deepened collaboration on the management and development of properties in the Scandinavian mountains through the joint venture company Skiab Invest AB

234
SEK MILLION
PROFIT AFTER TAX

Our digital platforms had 32 million visits during the year, an increase of 14 percent.





I am very proud of our Covid-safe precautions, which resulted in nearly 90 percent of our guests feeling safe and secure while staying with us, which is a testament to the hard work our employees put in to give our guests memorable mountain experiences. It is also particularly pleasing that seven percent of our guests were new to SkiStar during the winter season.

As a further step in SkiStar's strategic shift from a winter company to a year-round mountain tourism company, we launched SkiStar Sports & Adventures in summer 2021, with a range of activities such as trail biking, climbing parks and lift-assisted hiking. Interest in staycation breaks and active holidaying all year round remains high, which is also reflected in our visitor figures: 30 percent more visitors used the lift system and activities on the mountain in summer 2021 than in the previous year. We also note that as many as one in four visitors have not visited us before in the summer and one in three have not visited us in the winter either. This creates a range of opportunities for increased visitor numbers and revenue in both summer and winter.

Our retail operations continue to grow strongly, particularly online at skistarshop.com, which grew by 16 percent during the financial year. Our digital platforms (skistar.com, skistarshop.com and SkiStar App) had 32 million visits during the year, an increase of 14 percent. The number of MySkiStar members is now 1.3 million (+36 percent).

We have taken several steps forward in the area of sustainability this year, with a new sustainability strategy that includes ambitious targets to reduce our emissions by 50 percent by 2030, while getting more people moving. We do this by offering more activities at our destinations all year round, and also in dialogue and interaction with our stakeholders and partners.

Interest in alpine mountain tourism in Scandinavia is greater than ever as we approach winter, with many booking early and many foreign guests, particularly from Denmark, returning as travel restrictions are eased. This means that our bookings for winter 2021/22, expressed as the number of overnight stays booked through SkiStar's accommodation agency, are historically

high compared with the same period the previous year. Looking back to a comparison with the 2018/19 winter season, the increase is even greater, indicating that the recovery is accelerating and the staycation trend is here to stay.

We are better equipped than ever for the coming financial year, having successfully conducted our operations over two summer seasons and two winter seasons during the pandemic. Despite Covid-19, we have confidence in all the experience and knowledge we have built up as a company during this sometimes challenging period. Our core business of alpine skiing, spending time outdoors in the fresh air and having active holidays with family and friends stands firm in adverse conditions, both today and in the future.

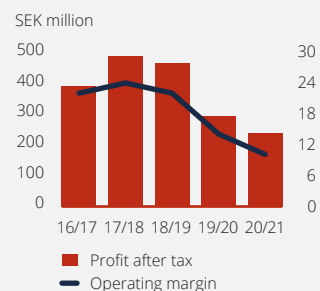
Stefan Sjöstrand
President and CEO of SkiStar AB

PERFORMANCE MEASURES

	2020/21	2019/20
Revenue ¹⁾	2,751	2,794
Operating income ¹⁾	2,821	2,839
Profit/loss after tax	234	287
Earnings per share, SEK	3.04	3.71
Cash flow from operating activities	699	735
Operating margin, %	10	14
Equity/assets ratio, %	40	43
Equity/assets ratio, % excl. IFRS 16	51	48

1) Reporting of income and revenue has been restated from the second quarter of 2020/21 (for more information see "Accounting policies" on page 66).

FINANCIAL TRENDS





What's new this winter

Varied skiing for everyone, comfortable accommodation, memorable and sustainable mountain experiences. Here we present what's new for the 2021/22 winter season.

SUSTAINABLE MOUNTAIN DESTINATIONS

SkiStar aims to offer sustainable mountain destinations. For this reason, we will be introducing a range of new features before the winter:

- More charging points for electric vehicles at all destinations.
- Better recycling information for guests via the SkiStar app and new recycling bags supplied at SkiStar's accommodation.
- All snow groomers in Norway will be run on renewable diesel (HVO), something previously introduced in Sweden. This will reduce SkiStar's climate impact from operations by 45 percent.
- Thanks to SkiStar's new contractual arrangement with Jämtkraft, all facilities in Sweden – and in Norway through Scandem A/S – will be run on renewable solar, wind and hydro energy. In addition, the electricity in Sweden is certified as a "Good Environmental Choice".
- Both the Radisson Blu Mountain Resort & Residences and Radisson Blu Resort hotels in Trysil, currently managed by SkiStar, are environmentally certified by the Eco-Lighthouse Foundation.
- Construction began on the new SkiStarShop Concept Store at the Lindvallen shopping centre, which will open in June 2022. Its construction is environmentally certified SGBC Silver. SkiStarshop has also started its journey towards generating its own energy and will install solar panels on the facade of the building. The entire project involving the new SkiStarshop Concept Store in Lindvallen aims to serve as an example of how SkiStar can work in a more circular and climate-neutral way on everything from operations and rentals to recycling.

> You can find all of the winter's news items at:
<https://www.skistar.com/en/press/>



SKISTAR CROSS COUNTRY ARENA

SkiStar is developing the SkiStar Cross Country Arena in Sälen, similar to the one in Åre, in line with other ski resorts in Sweden: high-quality cross-country skiing and several new products and services such as floodlit trails, parking, toilets and cabins as a complement to SkiStar's SkiPass.



SKISTAR LODGE HUNDFJÄLLET

In December, SkiStar will open its new SkiStar Lodge Hundfjället – state-of-the-art and extremely cosy accommodation with the best ski-in ski-out location, along with two entirely new restaurants by the restaurateur and entrepreneur Pontus Frithiof.



Our strategies

How SkiStar creates growth and success – today and in the future.





SkiStar 2.0

A key feature of efforts to develop SkiStar from purely a winter and lift company to a mountain tourism company all year round with a focus on guests is the updated strategic plan elaborated within the strategic framework.

These efforts are based in part on shifting travel patterns, new holiday habits year-round with a focus on activities together with friends and family in Scandinavia, and in part on greater demand among guests for all-in mountain experiences whereby quality accommodation is playing an increasingly important role, together with modern, weatherproofed skiing areas with a focus on alpine skiing.

In 2020/21 we therefore updated our strategic framework, developing our vision and more concrete targets and strategies.

Our previous six strategies were transformed into five. To achieve our goals and strengthen our position as the leading holiday organiser for Scandinavia, we need to further develop our core operations, find more sources of income, manage sustainable property transactions, meet customers where they want to be and create future business. Our foundations permeate everything we do. Safe and Secure is our promise to guests, as is sustainability, together with our employees and culture, which are a prerequisite today for achieving success and results.

STRATEGIC FRAMEWORK

VISION

SkiStar creates memorable mountain experiences

POSITION

The leading holiday organiser in Scandinavia

TARGETS

Financial targets

Sustainability targets

STRATEGIES

1. Further develop core operations
2. Find more sources of revenue
3. Sustainable property transactions
4. Digitalisation: Interact with customers where they want to be
5. Creating future business

FOUNDATIONS

SAFE & SECURE

Book
Stay
Lift & Piste

SUSTAINABILITY

Activity & Recreation
Ecosystem & Impact
Dialogue & Interaction

EMPLOYEES & CULTURE

Culture & Values
Leadership
Organisation





How we create valuable and memorable mountain experiences

SkiStar's vision is to create memorable mountain experiences for all of our guests. As the leading holiday organiser for Scandinavia, our core business is designed to create value for our guests, customers, employees, shareholders, municipalities and regions.

These operations generate growth and business opportunities. We contribute to jobs, tax revenue, diversity, culture and the exchange of knowledge for the company's stakeholders. To ensure our operations are successful, the business model must also be sustainable and consider the environment, social responsibility, employees' perspectives and respect for human rights.

HELPING RURAL AREAS THRIVE

The tourism industry is a lynchpin of the municipalities and regions in which we operate. Our presence generates more tourism and enables other operators to work at or near our destinations. Our operations provide jobs in the local area and thus greater tax revenues, which in turn allows opportunities for a positive impact on the region and improvements to infrastructure. In this way, visitors to the region, permanent residents and local businesses benefit from SkiStar, which is an operator that adopts a long-term and sustainable approach to mountain tourism.

INTERACTION BETWEEN GUESTS AND EMPLOYEES

Guests are our focus at SkiStar, and their experience at our destinations is largely influenced by the employees who make their holidays memorable. Our culture is characterised by a high level of dedication and pride in what we do and the areas in which we operate. We offer not only a job but a lifestyle. Committed, motivated and satisfied employees who are happy at work are a prerequisite for our ability to deliver memorable experiences for our guests, and to ensure they return year after year to create thriving communities where we are located.

RESPONSIBLE EMPLOYER

SkiStar is one of the largest employers in the areas where we operate – a responsibility we take seriously. We have employed more than 12,000 young people aged 18 to 24 over the past ten years, and the company receives thousands of new applications every year. We consider being a major employer for young people and offering a way into the job market as a vital social responsibility. The combination of stimulating tasks with the opportunity to lead an active lifestyle and a strong sense of belonging among colleagues is a major appeal for us as an employer. We are proud of the fact that 65 percent of our seasonal employees return the following year.

STRONG MUNICIPALITIES AND LOCAL COMMUNITIES

We strengthen the municipalities and local communities in which we are active by participating in and contributing to the development of our destinations and local areas. SkiStar participates in multiple projects to help develop its regions. One example is the European Regional Development Fund project, which since early 2010 has worked to develop the four municipalities in the SITE regions (Sälen, Idre, Trysil and Engerdal). The objective is to create an international and sustainable region with an attractive tourism industry. SkiStar is the largest operator in both the Norwegian and Swedish parts of the project, which led to an extensive commitment to the development of the regions.

65

PERCENT OF OUR SEASONAL
EMPLOYEES RETURN THE
FOLLOWING YEAR





Operating environment and trends affect our business

SkiStar takes active steps to monitor, adapt and develop operations based on major trends in the operating environment that affect guest demand and our business. To be in a position to tackle both major societal trends and small consumer trends, SkiStar works continuously to develop its products, concept and service. It is important for us to live up to and exceed guests' expectations both before, during and after their journey with SkiStar.

ACTIVE HOLIDAY

People increasingly want to be active on their holiday, whatever the season. This applies to all target groups, from families with children to retirees. SkiStar is meeting this trend by offering the opportunity to have an active holiday, in winter as well as in summer. SkiStar's newly developed Sports & Adventures concept now allows us to offer our guests – in addition to skiing holidays – the opportunity to have an active holiday all year round with cycling, hiking, climbing and padel – all examples of activities. We also offer exciting concepts for children and young people. SkiStar's brand, operations, products and services should contribute to better public health and a love of exercise all year round.

SUSTAINABLE LIFESTYLE, SUSTAINABLE HOLIDAY

As more and more people have become sedentary, just as many people want to have a more active and sustainable lifestyle 24/7. This means exercise in their daily routine, active experiences on holiday and living a healthy life in terms of food and training. Society is also changing through the electrification of private cars, for example, which is putting greater demands on us as a company. Guests want to travel to our destinations in a sustainable way and we want to be able to offer infrastructure on site for electric vehicles. We are working to make our destinations more sustainable through dialogue and collaboration with partners, politicians and decision-makers at both the national and municipal level.

STAYCATION

Many more people have started holidaying in Scandinavia over the past few years. This increased demand has been driven in part by a greater focus on sustainability and the environment due to some

degree to weaker interest in long-distance travel and air travel since as far back as 2017. But many have also discovered Scandinavia during the pandemic as travel restrictions and new habits affected people's interest in the domestic market. SkiStar's position is to be the leading holiday organiser for Scandinavia, whereby we aim to attract domestic and international guests to our Scandinavian destinations by offering an attractive range of products and concepts.

SIMPLICITY AND ACCESSIBILITY

A clear trend in the tourism industry is greater demand for simplicity and accessibility. This means simplicity right from the point of booking, in the form of digital bookings for all products. Simple and accessible transport solutions are in demand, as are simple and accessible on-site services. SkiStar has managed this trend by making it possible to sell all products and services in SkiStar's most important sales channel – skistar.com – all year round. In addition, SkiStar is working to develop various transport solutions to all destinations and to offer guests a broad range of accommodation on site and other relevant products linked to an active holiday.

INCREASED DEMAND FOR DIGITAL SERVICES

Our guests are increasingly requesting digital services that can make their holiday simpler. This partly means information and booking ahead of the trip, and partly digital services on site during the holiday. SkiStar's objective is to be at the forefront of digital developments to meet guests where they want to be.

SkiStar.com currently hosts around 20 million visits per year and has net sales of around SEK 1.8 billion. The SkiStar app mainly offers information and purchases on site for guests, but also digital check-in and check-out that makes guests' arrival and departure easier.

TAILOR-MADE COMMUNICATION AND OFFERS

To meet the higher demand for individual communication containing relevant offers for our guests, SkiStar is currently working on data-driven communication. The objective is to use SkiStar's customer database to enable communication with each unique guest at the right opportunity and the right moment. SkiStar's customer database, together with our own distribution and digital development of systems and products, are all key features of SkiStar's sales and communication initiatives. They also ensure greater guest satisfaction, extend the customer life cycle and strengthen loyalty to SkiStar. A vital part of the initiative concerning individual communication is also SkiStar's MySkiStar member's club, which currently has 1.3 million members.

32

MILLION VISITS
TO SKISTAR.COM,
SKISTARSHOP.COM
AND SKISTAR APP

A SURVEY CARRIED OUT BY NOVUS on behalf of Radio Sweden showed that 1 in 4 people will continue their outdoor lifestyle and activities once the Covid pandemic is over.

Another survey by Kantar Sifo commissioned by SkiStar also showed that 9 out of 10 Swedes and Norwegians prefer a summer holiday involving experiences in nature together with the whole family.

According to Innovasjon Norge, 7 out of 10 people stated that they were planning a summer holiday in Norway in 2021.



SkiStar's offering generates profitable business

The basis of SkiStar's offering is to generate sales before the guest arrives at the destination. Over 72 percent of SkiStar's sales happen on skistar.com, which is the largest sales channel and the most vital component of the business model.

On skistar.com guests can book their entire holiday, including travel arrangements, accommodation, ski school, ski and bike rental, SkiPass or Lift/TrailPass, sports goods and insurance all in the same place. A considerable portion of the investments made in SkiStar's business systems relates to making it easier for customers to book on skistar.com and creating more satisfied and loyal guests.

MEDIATED BEDS WITH HIGH OCCUPANCY RATES

High and consistent accommodation occupancy rates over the entire winter season are the foundation for high profitability. To achieve this, the sales department works actively with differentiated pricing based on underlying demand. To optimise demand during the low season, different special offers and events are marketed, aimed at the various target groups, such as packages, theme weeks and events. SkiStar actively works to mediate as many beds as possible on skistar.com. In the 2020/21 season, SkiStar destinations had a total of 39,000 beds in 5,900 properties (cabins and apartments) to mediate through skistar.com. Another new feature from 1 July 2021 is that SkiStar runs six hotels (mainly apartment hotels) in Trysil, Hemsedal and Sälen, which contain 4,000 beds. A total of 84 percent of accommodation sales came from online sales in 2020/21.



SKISTARSHOP.COM*

SkiStarShop.com – online store

SKISTARSHOP CONCEPT STORE*

SkiStarShop Concept Store – physical stores

SKISTARSHOP*

SkiStarShop – rentals on site

* SKISTAR BUSINESS

SkiStar Business – group and conference

SKISTAR LODGE™

SkiStar Lodge – hotel concept

SKISTAR * LIVING

SkiStar Living – accommodation concept

EQPE

EQPE – proprietary clothing collection

* SNOW PARKS SKISTAR

SkiStar Snow Parks – parks built from snow with big jumps, small jumps, box jumps and rails



SkiStar Fun Ride – an adventure ski area inspired by the Snow Parks with a ski cross track



Valle – SkiStar's own snowman and children's concept



Accommodation owners who rent out their places via SkiStar are entitled to several benefits and great offers via SkiStar. Such benefits include a unique discount on the SkiStar All Season Pass for themselves and family members.

TAILOR-MADE ACTIVE HOLIDAY EXPERIENCE

SkiStar's overall market strategy is to offer each individual guest a customised active holiday, tailored to their own specific requirements. Guests can choose between five different means of transport: car, bus, train, plane or boat, or a combination of these, depending on the chosen destination. Transportation can in turn be combined with a range of accommodation alternatives in different price ranges, encompassing everything from self-catering cabins to hotels with all amenities under one roof. In addition, guests have access to a broad range of activities and products, such as the ski school, ski and bike rental, SkiPass/Lift-TrailPass, the SkiStarShop and the SkiStarshop Concept Store. Guests also have the option of choosing the length of their holiday, whether it happens to be a couple of days, a weekend, a short break, an entire week or an even longer visit on occasion. Specially designed insurance products for mountain vacations at SkiStar destinations are also available via external insurance companies, which can be simply added at the time of booking the winter holiday.

MARKETS

SkiStar's guests primarily come from the Nordic countries, where Sweden, Norway and Denmark are considered domestic markets. In the 2020/21 winter season, 93 percent of SkiStar's guests came from the Swedish market. The Danish market fell from 17 to 1 percent. The Norwegian market increased from 3 to 5 percent. Market shares for the financial year were significantly affected by restrictions linked to Covid-19.

My



AT THE END OF THE 2020/21 FINANCIAL YEAR, MYSKISTAR HAD AROUND 1.3 MILLION REGISTERED USERS, WHICH IS AN INCREASE OF OVER 36 PERCENT ON THE PREVIOUS YEAR.



Further develop core operations

To strengthen our position as the leading holiday organiser for Scandinavia, alpine skiing will remain SkiStar's main focus when creating memorable mountain experiences.

Activities during the summer season were not in focus until 2021, meaning we will now invest more than ever in year-round activities and thus generate new revenue.

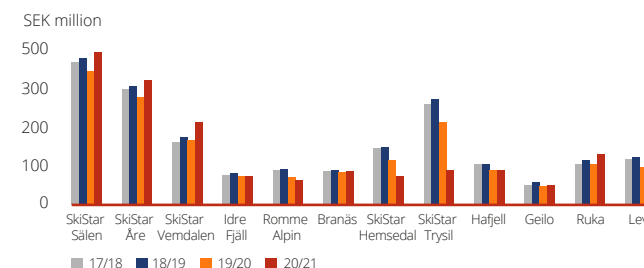
To increase the number of skier and activity days and thus increase profitability, the key is to attract more guests to our destinations who are also more satisfied with the experience and more guests who return year after year. Another important aspect is to strengthen the competitiveness of the destinations, with important factors such as the range of products, development of ski systems, summer activities and offering guests better accommodation while away than at home.

As people's lifestyles and holiday habits are shifting, with them moving in recent years towards more active holidays over more periods of the year, we need to review how we can meet demand for adapted opening times, lift-assisted summer activities and

guaranteed snow. SkiStar is also considering how alpine skiing will look in 5-10 years to pinpoint new sources of revenue as new styles of skiing arise and guests request new experiences on the slopes, for example in the form of entertainment parks. On the other hand, there is also increasing interest in the mountain environment itself, with more people showing an interest in mountains generally and their history – offering us new business opportunities here too.

There is considerable demand for high-class accommodation and we note that guests would ideally like to have more luxurious accommodation than they have at home, for example the chance to enjoy a sauna, fireplace and beautiful view. This gives us many opportunities at our destinations within the framework of our development of the SkiStar Lodge, for example.

SKIPASS SALES IN THE NORDIC REGION



Sources: Svenska Skidanläggnings Organisation (Swedish Ski Lift Organisation), Alpinanleggenes Landsforening (Norwegian Ski Lift Association) and the Finnish Ski Area Association



"An important prerequisite for increasing our long-term competitiveness and profitability is to work on modernising, weather-proofing and increasing the capacity of our ski systems. Capacity needs to increase due to stronger interest in alpine skiing and thus more guests at our destinations.

It is also a matter of how we can enhance efficiency and improve our snow production, both in line with climate change and as a result of the intense interest in our operations and demand for more slopes and lifts."

Niclas Sjögren Berg, Operational Director at SkiStar





Find more sources of revenue

SkiStar wants to be a forerunner and further develop operations with a focus on increasing the number of guests and activity days at our destinations and driving sustained profitable growth.

It has long been in SkiStar's DNA to continuously develop its operations and find more sources of income. Sales of our SkiPass are at the core of our income, and based on that successful product we have since developed new income sources in the form of ski rentals through SkiStarShop, our snowman Valle and Valle's Ski School, the SkiStar Living accommodation concept and much more.

Another important part of finding more sources of revenue is to even more efficiently base our actions on guests' behaviours, purchasing patterns, satisfaction and preferences through the customer data we have from skistar.com and guest surveys but also memberships in MySkiStar. Ahead of 2021/22 we are working extensively with customer data, analysis and system development to maximise opportunities for generating revenue. We will achieve this by interacting with our guests more efficiently with more accurate, individually adapted campaigns and offers. We see major opportunities for both increased growth and greater guest satisfaction.



EQPE



"This is how our own clothing brand, EQPE, was produced, for example. We had our own stores and strong sales online, but no clothing brand of our own. At the same time, quality ski clothing that was neither too expensive nor too cheap was in high demand and missing in the market."

Mathias Lindström, Commercial Director at SkiStar





Sustainable property transactions

For SkiStar, it is important for all land exploitation and property development in the Scandinavian mountains to be sustainable.

An important goal for us is to see a positive performance in the value of our exploitable land. This is achieved by active detailed development plans, which lead to new projects being launched more quickly. There should be quality accommodation at every destination, with this representing an important aspect of the overall guest experience in both summer and winter. There is major demand for quality accommodation in the mountains as more and more people seek to spend more time in either their own or a rented cabin or hotels.

Construction and development of SkiStar Lodge Hundfjället continued apace during the year, and we look forward to welcoming all guests to this premium accommodation as of winter 2021/22.

Another vital aspect of the strategy is to ensure a strong performance in the value of the property portfolio by developing and enhancing the efficiency of properties owned by SkiStar, not least in terms of energy efficiency and systematic maintenance.

IN MAY 2021, SkiStar and Peab began a new collaboration within the framework of a joint venture structure through the parent company, Skiab Invest AB, to own, manage and develop jointly owned companies and properties in the Scandinavian mountains. The property portfolio consists of both hotel properties and exploitable land. As a tenant of Skiab, SkiStar will be responsible for operating the hotels. The transaction and the new Operation of Hotels segment are described in more detail on page 25.



"Sustainable property transactions involve developing SkiStar's exploitable land with a focus on the guests' experience.

A natural step in this development is for all new property projects to be environmentally certified, which SkiStar's board of directors has resolved to do."

Lars-Göran Dahl, Property Development Director at SkiStar





Digitalisation: Interact with customers where they want to be

For SkiStar, digitalisation means developing our destinations and digital platforms for the guests, based on customer insight and data analysis, with the concepts of simplicity, satisfaction, accessibility and security.

Over the past year, SkiStar has further developed several products and services – everything from purchases of the SkiPass in the SkiStar app to offering guests digital check-in and check-out at their accommodation.

There has been an enormous increase of mobile users from 60 percent in the winter season, reaching 82 percent in a summer peak week. Increased accessibility in digital channels have led to an enormous shift in usage of using skistar.com and the SkiStar app. The pandemic has spurred a shift in customer behavior, and we have followed the customer needs. During the year we managed to deliver many digital services quickly to customers thanks to positive internal collaboration and excellent partners.

We want to provide better digital guest services by having maps, opening hours, and purchasing products available in the SkiStar app. During the Covid pandemic it became even more important

to make guests feel safe and secure and publish important information quickly. The digital customer touchpoints have been vital during the pandemic and have helped us quickly develop routines to keep the guests informed of the latest pandemic guidelines.

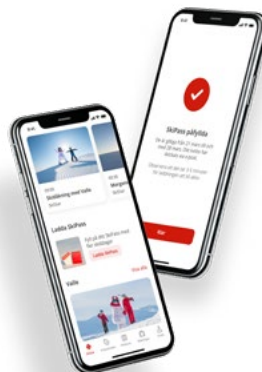
Digitalisation has also been one of the major step stones in the development of SkiStar's Sports & Adventures summer initiative. All products and activities, including climbing parks, Lift and Trail-Pass, bike rentals are being bookable via skistar.com. Another new feature was the ability to purchase single lift tickets in the SkiStar app. There has also been significant interest in purchases of equipment and sports clothing via skistarshop.com.

80

**PERCENT HAVE CHECKED IN
DIGITALLY TO THEIR
ACCOMMODATION.
77 PERCENT HAVE PURCHASED/
DOWNLOADED
THEIR SKIPASS DIGITALLY.**

32

**MILLION VISITS TO SKISTAR'S
DIGITAL PLATFORMS IN 2020/21.**



With a guest-centric mind, the digital guest touchpoints will develop continuously over the coming years.

"We have to be at the forefront of the digital interaction with guests to create a memorable mountain experience, before, during and after the trip. This digital interaction involves everything from our websites, apps, e-mails, text messages and check-in process to digital in the ski resort areas lifts," explains Heléne Wallin, Head of Digital at SkiStar since autumn 2020 and who has created a whole new digital team within the commercial department.

"We aim to make all of our services accessible for the customer in their preferred channel. We listen to the customer, expand digital check-in to more accommodation, and improve guest arrival information. In winter 2021/22, we are also taking simplicity one step further by allowing mobile phones to become the key to everything at the new SkiStar Lodge Hundfjället. The guests will use their phones to unlock their doors, the ski storeroom, and the gym. Digital check-in will also be available for our conference guests."

Heléne Wallin, Head of Digital at SkiStar



Creating future business

Based on our brand and existing assets, we identify, analyse and generate future business through ongoing business development, thus reinforcing and intensifying our pace of innovation.

There are several aspects to our efforts to develop new business: for example how we monitor trends and changes based on guests' demands. These currently include a strong trend of holidaying in Scandinavia all year round in line with a desire to live healthily and have a sustainable lifestyle, but also taking advantage of the assets we already have in the form of ski areas, lifts, skistar.com (our main sales channel), accommodation and staff, so that they are used all year round.

”

“This led to us developing the SkiStar Sports & Adventures concept for the summer season. This investment gives us the opportunity to generate revenue we never previously had to the same extent, for example from sales of the Lift and Trail-Pass, bike rentals and other activities like our new climbing parks, while also helping destinations thrive all year round, which benefits other businesses in the area – an important part of our sustainability initiatives.

One in four people who visited us in the summer had never visited us before, with one in three never having visited us in the winter either. This creates opportunities to get summer guests to visit us in the winter and vice versa, as we reach new customer groups.”

Stefan Sjöstrand, President and CEO of SkiStar

1 in 4

**WERE NEW GUESTS
IN SUMMER 2021.**





Targets and target achievement

The overall goal is for the value of shareholders' capital to increase sustainably over the long term. SkiStar's share price increased by 75 percent during the 2020/21 financial year. The Stockholm Stock Exchange all-share index (OMXSPI) gained 42 percent over the same period.

FINANCIAL TARGETS

Equity/assets ratio

To pursue a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an equity ratio of at least 35 percent, before additional debt via IFRS 16. The result for the financial year was 51 percent. This year's result proves that SkiStar has a strong financial foundation despite two challenging years of the pandemic.

Return on capital employed and equity

It is important for SkiStar's investments to generate a return. At current interest rates, the target for return on equity is at least 14 percent and for return on capital employed at least 9 percent. The targets are based on 3-month treasury bills, which had an average interest rate of 0.5 percent (-0.24) during the 2020/21 financial year.

FINANCIAL TARGETS

%	2020/21	2019/20	2018/19	2017/18
Equity/assets ratio	40	43	51	50
Return on capital employed	6	9	15	17
Return on equity	9	11	18	22
Operating margin	10	14	22	24
Organic growth above inflation	-1	-11	4	8

Levels of return fell in 2019/20 and 2020/21, which is a natural extension of the lower operating profit linked to operations in Norway and Austria.

Operating margin

It is important for SkiStar to be cost-effective and to focus on profitability in all parts of the business. The operating margin target is to exceed 22 percent in the long term.

The result for the financial year was 10 percent. Due to lower demand in Norway and Austria linked to the pandemic, there has been a strong focus on effectively managing the winter season in particular. It is pleasing that such a large part of the sales loss has been recouped on the cost side.

The operating margin has also been weakened as a result of the new Operation of Hotels segment and the change to the accounting policy for accommodation. See Note 1.

Organic growth above inflation

SkiStar's growth target is an annual organic growth rate exceeding inflation by at least 4 percentage points, on top of any growth through acquisitions. Inflation in Sweden during the financial year was 2.1 percent (1.4).

As with last year's result, this year's result should obviously be seen through the context of the pandemic, which affected SkiStar in both of the previous financial years, though in different ways.

50%
REDUCTION IN
CLIMATE EMISSIONS
BY 2030

SKISTAR'S STRATEGIC CLIMATE TARGET INITIATIVES

SkiStar aims to protect nature, just as nature protects us. Through ambitious climate targets and the establishment of more circular systems, we are working to reduce our impact and enable our guests to make climate-smart choices. By 2030 we will reduce our total carbon footprint by 50 percent, in line with the target for the Sustainable Development Goals and the Paris Agreement's limit on a global temperature increase of under two degrees.

> Read more about our new climate targets on page 39.





Our operations

Our operations are divided into three segments: Operation of Mountain Resorts, Property Development & Exploitation and Operation of Hotels, as well as a number of central functions.





Our operations

OPERATION OF MOUNTAIN RESORTS

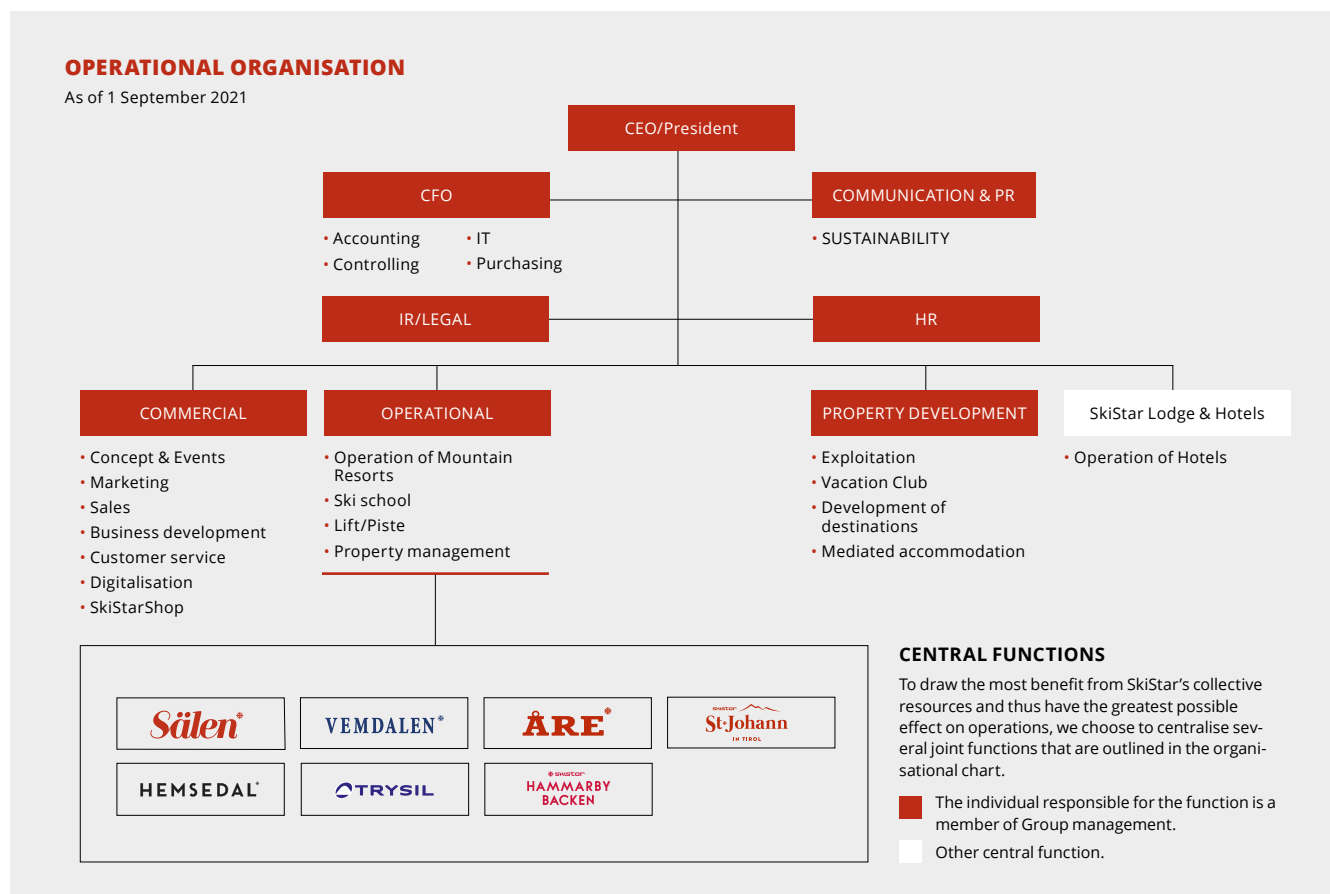
In addition to the operation of the resorts themselves, this area also involves sales of all products and services such as the Ski-Pass, accommodation, activities and articles in SkiStarShops and SkiStarShop Concept Stores. Focus areas principally include sales and running the resorts as efficiently as possible. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development & Exploitation. The segment's non-current assets are mainly property, plant and equipment used directly in the operations, such as pistes and lifts, or used or rented out for activities that complement the segment, such as SkiStarShops, equipment hire and restaurants.

PROPERTY DEVELOPMENT & EXPLOITATION

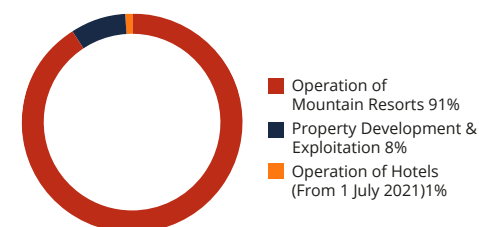
Property Development & Exploitation comprises the management of assets that can be exploited or utilised in the segment or leased to the Operation of Mountain Resorts segment. Segment revenue comes from the sale of land and other properties, the sale of unit weeks in Vacation Club, and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Mountain Resorts segment. The segment's assets consist of land and other properties, as well as shares in tenant-owner associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing and activity areas.

OPERATION OF HOTELS

Operation of Hotels includes activities related to hotels conducted under the SkiStar brand and under SkiStar's management from 1 July 2021. SkiStar's Operation of Hotels is conducted as a tenant of the hotel properties in question. Operation of Hotels includes revenue from accommodation, restaurants and other goods and services provided in connection with the hotels. The hotels included



NET SALES PER SEGMENT





Operation of Mountain Resorts

Strategic product areas



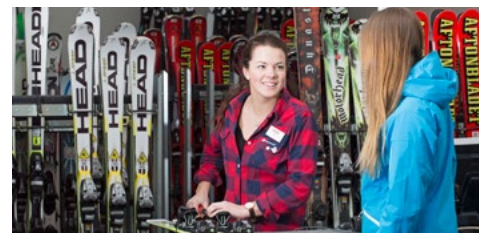
ALPINE SKIING/SKI LIFT/SKIPASS

Alpine skiing is SkiStar's core business. The majority of SkiStar's profits are generated by SkiPass sales. The marginal revenue for each additional SkiPass that is sold is high. SkiPass sales during the 2020/21 financial year totalled SEK 1,143 million (1,231). SkiStar's market share of SkiPass sales during the financial year in Sweden was 51 percent (53) and in Norway it was 17 percent (29). The market share in Scandinavia was 39 percent (43). The number of skier days amounted to 4,405,000 (5,148,000), which is a decline of 14.5 percent compared with the previous year. All reductions in the Operation of Mountain Resorts segment are exclusively an effect of the restrictions in place as a result of the Covid pandemic, meaning that no foreign guests were able to visit our destinations due to the closed borders. This hit our Norwegian destinations particularly hard, as they normally have a high proportion of international guests.



MEDIATED ACCOMMODATION

To ensure the availability of accommodation in its operations, we need control over the leasing of a large volume of beds at all the Group's destinations. In this way, we can optimise the occupancy rate and any weak sales can be adjusted at an early stage via proactive marketing efforts. The occupancy rate in cabins and apartments owned and mediated by the Group during the 2020/21 winter season (weeks 51–16) amounted to 65 percent (68). The number of mediated beds was unchanged during the year.



SKI RENTAL

The equipment from our ski rental shops should always be prepared, waxed and correctly adjusted. Ensuring there is always equipment to rent with the right quality is strategically important for SkiStar. During the financial year, we operated a total of 29 ski rental outlets: nine in Sälen, nine in Åre, six in Vemdalen, two in Hemse and three in Trysil. Sales totalled SEK 127 million (163).



SKI SCHOOL

Ski school operations are strategically important for SkiStar, as a life-long interest in skiing is established and long-term contacts are forged between the destination, the skiing instructors and the guests. Children and youngsters who learn to ski early in life often develop a lasting interest in the sport, which they, in turn, pass on to their children. We have a unique ski school brand – Valle's Ski School – which is aimed at the 3–9 age group. Net sales for the ski schools amounted to SEK 41 million (50) during the financial year. The number of learners at SkiStar's wholly owned ski schools totalled 56,525. This figure excludes St. Johann and Trysil's ski schools, in which SkiStar only has a participating interest.



Other product areas

SKISTARSHOP AND SKISTARSHOP.COM

SkiStar sells alpine sports goods in stores and online. The company operates its own SkiStarShop Concept Store in Åre and Hemsedal, and there are two stores in Sälen and Vemdalen respectively. We sell sporting goods related to alpine skiing at our SkiStarShop ski rental outlets. Skistarshop.com is an online store stocking the market's strongest alpine sports brands. The e-store is fully integrated into the flow of bookings of other products and services on skistar.com, which means that customers can buy a ski jacket while topping up their SkiPass. Customers can then choose to have the goods delivered to their home or pick them up from any of our SkiStarShop Concept Stores. In the 2020/21 financial year, the Group's retail operations generated sales of SEK 207 million (179). Online sales continued to increase during the year.

PROPERTY SERVICES

The property services product area is made up of building superintendents, carpenters, electricians, janitors and other service personnel. Revenues within property services comprise rental income for the business premises and remuneration for cabin service and cleaning. During the financial year, revenues totalled SEK 113 million (102).

SKISTAR SPORTS & ADVENTURES

A new concept was launched before summer 2021 to attract guests to our destinations during the summer months too: SkiStar Sports & Adventures was started in Sälen, Åre and Trysil. Investments related to this initiative have so far amounted to SEK 28 million. This mainly consists of the development of climbing parks, different types of trail cycling, padel courts and crazy golf. Further expansions of bike rentals, Valle Kids' Club, Teen Camp Bike, tailor-made cycling packages and guidance, along with bundling of new Lift and TrailPasses have focused on generating new revenue, but also on getting more guests to test new products and return the following summer, or ideally also the next winter.

OTHER

Other revenue includes income from events, advertising sales, kiosks, sales of Ski*Direct cards (the plastic card for the electronic SkiPass) and grants received. Other income during the financial year amounted to SEK 262 million (242).

207
MILLION SWEDISH KRONOR
OF SALES IN RETAIL
OPERATIONS 2020/21

HOW SKISTAR'S DESTINATIONS WERE MADE COVID-SAFE

SkiStar continued to make its destinations Covid-safe ahead of the 2020/21 winter season by introducing a range of precautionary measures to make things safe and secure for all our guests and employees.

"Many of the precautionary measures involved spreading out the guests and avoiding unnecessary gatherings and queues. These efforts were undertaken in close dialogue with health-care representatives, local businesses, authorities and our ski industry organisations SLAO and ALF.

Proof of the success of all these measures came in the form of our guest surveys, in which 86 percent of guests stated that they felt safe with the precautionary measures in place, with 95 percent saying that they had followed the recommendations. It was particularly pleasing that the Swedish Public Health Agency and other operators praised us for our efforts to limit the spread of Covid-19. Furthermore, spending time outdoors in the fresh air and partaking in alpine skiing with family has not contributed to any increase in the spread of infection, according to infectious disease doctors. We are very proud of this."

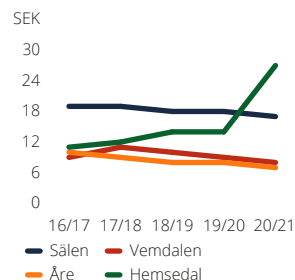
Niclas Sjögren Berg, Operational Director at SkiStar

A few examples of precautionary measures include:

- Digitalisation of SkiPass purchases and the check-in and check-out process at our accommodation has not only made it easier and smoother for guests, but also safer during the pandemic.
- The advantage of our operations is that they take place outdoors, and some measures we took were moving the ski rental store outdoors, limiting the number of customers in our SkiStarshop Concept Stores and closing our warming cabins.
- To bring some structure to the queues, our employees put up a total of 1,440 km of netting. This netting created pens that made it easier to keep a ski pole's distance. We worked together with more lift attendants who guided guests to the right place – something we will continue in future seasons.
- The safety and health of our staff was also a vital factor, which is why we made quarantine accommodation available at an early stage, ensuring a smooth and safe process.

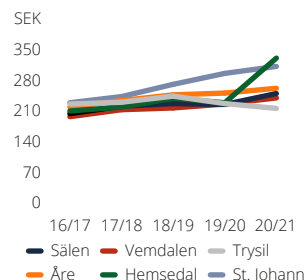
SKI SCHOOL SALES

per skier day



SKIPASS SALES

per skier day





Operation of Hotels

Demand for active holiday experiences in Scandinavia – both in summer and winter – has increased hugely in recent years in line with the strong staycation trend in which quality accommodation in attractive locations with a high level of comfort and easy access to experiences on site has become increasingly important.

As of 1 July 2021, SkiStar is running six hotels, mainly apartment hotels, at Norway and Sweden's top mountain destinations. By operating the hotels ourselves, we are able to offer first-rate accommodation while bundling package solutions and sales of SkiStar's entire product portfolio all year round in line with our business strategies. The assets at the facilities include hotel rooms, apartments, restaurants, bars, conference facilities, swimming facilities and a spa.

The hotel operations, also known as the "SkiStar Lodge & Hotel", consist of four lodges and two hotels, of which one is an apartment hotel, in Sälen, Hemsedal and Trysil; SkiStar Lodge Experium Lindvallen, SkiStar Lodge Hundfjället, SkiStar Lodge Suites and SkiStar Lodge Alpin Hemsedal, and the Radisson Blu Resort and Radisson Blu Mountain Resort & Residences in Trysil. All of the hotels have direct access to the lift system, known as the "ski-in-ski-out option".

The initial focus during the first financial year is to build up new hotel operations with an efficiently functioning operating structure and to identify synergies and economies of scale between different hotels and countries. In terms of operational activities, the focus will be on both enhancing efficiency and following up on operational quality. Clear future objectives include ensuring a high level of guest satisfaction, increasing revenue in the form of add-on sales at the hotels and achieving cost efficiency within the organisation in terms of purchasing, maintenance and personnel costs.



COLLABORATION WITH PEAB EXPANDED

The investment in hotel operations was able to be implemented as SkiStar entered an agreement with Peab to further develop the jointly owned company Skiab Invest AB. The company owns 100 per cent of the hotel properties, while SkiStar is responsible for the operation of the six hotels.



SKISTAR LODGE™

Our best accommodation concept for families.

The aim of our SkiStar Lodge accommodation concept is to simplify the choice of accommodation for guests and to strengthen loyalty to SkiStar and SkiStar Lodge. Each SkiStar Lodge has its own unique character. SkiStar Lodge has generous areas for socialising. The Lodge bar is at the heart of the property and is the obvious meeting point for family and friends. The apartments and hotel rooms are tastefully decorated and functionally designed for an active holiday. Features shared by each SkiStar Lodge are the top location with ski-in ski-out option and proximity to activities. Comfort, sustainability, security, safety and freedom of choice are all keywords throughout a stay at a SkiStar Lodge. The atmosphere is one of relaxed luxury, and visitors have access to all necessary services and a broad range of food options in and around the SkiStar Lodge, with both children and adults feeling like VIP guests.

786

**BEDS SPREAD ACROSS
153 APARTMENTS**

AHEAD OF WINTER 2021/22 we are expanding our Lodge concept through a brand-new SkiStar Lodge in Hundfjället, with a focus on comfort and relaxation in a top location near the lifts and just 10 minutes' journey from the international Scandinavian Mountains Airport (SCR).

The 18,650 sq m at SkiStar Lodge Hundfjället offer 786 beds spread over 153 apartments, of which 32 are double rooms, 8 are studios, 106 are apartments and 7 are suites of varying size, all tastefully designed in solid natural materials, well equipped and extremely cosy. There are also three Valle-themed apartments at the hotel. The same building also contains a restaurant, large lounge bar, SkiStarShop and Valle's "Hygglo" – a play area for active children.

There is also a gym, spa/relaxation centre and conference area containing six meeting rooms with space for around 250 people in direct connection to SkiStar Lodge Hundfjället. Above the conference area is Tornrummet, a small conference space with a panoramic view across the mountains. Pontus Frithiof and Nordrest are setting up in the Scandinavian mountains for the first time, as they open two restaurants at the new lodge: Pontus! in Sälen and Mondo by Pontus Frithiof. The restaurants will have different concepts and specialities but will offer something for everyone, with a focus on sustainability – good, well-prepared food based on locally grown ingredients with a North American touch.



Hotel operations

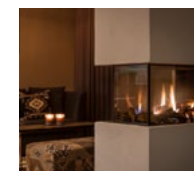
SWEDEN

SkiStar Lodge Experium in Lindvallen was built in 2004 with 121 rooms and apartments spread over 9,860 sq m. We also run restaurants here, and there is access to Experium's facilities, such as swimming, relaxation, spa, conference, sports shop, cinema and bowling.

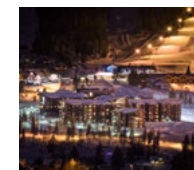


NORWAY

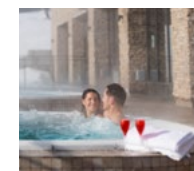
SkiStar Lodge Suites was completed in 2017 in Hemsedal, with its 100 apartments over an area of 11,570 sq m. A suspension bridge connects it to **SkiStar Lodge Alpin** (built in 2008) with its additional 35 apartments and eight hotel rooms, as well as a supermarket, sports shop, bar and restaurant.



Radisson Blu Resort was built at the foot of Trysil's ski resort in 2008, containing 212 rooms, suites and apartments. There are restaurants, bars, a sports store, conference facilities, swimming, Flowrider, gym, arcade, bowling and a spa spread over 22,445 sq m.



The sister hotel at Fageråsen, **Radisson Blu Mountain Resort & Residences**, was built in 2011. There are a total of 369 rooms, suites and apartments here over an area of 21,212 sq m. The resort hotel contains restaurants, bars, conference facilities, spa, gym, sports shop and ski rentals. Both hotels have a franchise agreement with the Radisson Hotel Group.





Property Development & Exploitation

To create value, focus is placed on drawing up long-term development plans for future investments at SkiStar's destinations.

Such plans create business opportunities through, for example, the sale of land and plots, building for rental, building for sale or to increase value in some other manner. This can either be carried out by SkiStar or in cooperation with other partners. As of the 2018/19 financial year, the Property Development & Exploitation segment encompasses non-current assets such as land, property and investments in co-owned companies.

EXPANDED AND STRENGTHENED COLLABORATION WITH PEAB

SkiStar and Peab have run Skiab Invest AB through 50/50 ownership since 2011. The company's first project was to build eight apartments and a restaurant to rent in Björnrike, Vemdalen. In recent years, five hectares of land holdings have been exploited in Sadeln, Åre, where the company helped create six tenant-owner associations by selling off land. The seventh and final association will build 44 apartments with leasing and occupancy scheduled for the 2022/23 winter season. As of summer 2021, this collaboration has been expanded and strengthened by establishing the subsidiaries Skiab Sverigefastigheter AB, Skiab Norgefastigheter AS and Skiab Projektfastigheter AB.

In Sweden, SkiStar Lodge Lindvallen and the ongoing construction of SkiStar Lodge Hundfjället were divested to Skiab Sverigefastigheter AB. In Norway, all fully and partially owned hotel properties were divested to Skiab Norgefastigheter AS. SkiStar will rent and operate all properties from 1 July 2021 in a new operating segment called Operation of Hotels.





Skiab Projektfastigheter AB classifies Property Development & Exploitation under this segment. SkiStar has divested five areas of land for the planned operations in Sälen, Åre and Vemdalen to Skiab Projektfastigheter AB, which are mainly intended for accommodation, with the exception of one area of land in Sälen which is earmarked for commercial buildings with a total gross floor area (GFA) of around 60,000 sq m.

LAND ASSETS

SkiStar's land development assets and unsold plots total 5.4 million sqm (5.4). Most of the assets were acquired a long time ago and therefore have a low acquisition value. No market valuation of the assets has been conducted, as it is difficult to make a reasonable assessment of the possible exploitation rate of the land assets. Based on our own assumptions and experience, around 50 percent of the land can be built on, which is 2.7 million square metres. If the land is sold as plots, it would mean 2,700 plots, each comprising 1,000 square metres.

LAND AND PLOTS FOR SALE

At the end of the financial year, development land was available for sale in Ullådalen, Åre, and two plots in Björnrike, Vemdalen. In the Sadel area in Åre there is an additional detailed development plan in a fifty-percent owned joint venture for continued sales to newly formed tenant-owned associations.

SKISTAR VACATION CLUB

SkiStar Vacation Club is a form of accommodation that is customised to meet guests' demands and requirements. The apartments are divided into weekly units, and guests purchasing one or more of these units are entitled to the additional benefits of membership of the international exchange and placement organisation, RCI, as well as membership of SkiStar Vacation Club. This form of accommodation is cost-effective, simple and flexible for the timeshare owner. Cost-effectiveness is achieved either through the utilisation of a purchased week, compared with the equivalent cost of renting for that week, or by exchanging the week with a trip

abroad through RCI. In addition, the timeshare owner can purchase foreign trips through the RCI system. SkiStar Vacation Club also provides timeshare owners with a raft of advantages and benefits during their stay. The simplicity of timeshares comes from the fact that the guest is not responsible for the maintenance of their ownership share. Instead, the tenant-owner association, of which the timeshare owner automatically becomes a part, takes care of the maintenance and development. The apartment is always clean, the beds made up, and it is warm and ready ahead of the guest's arrival. Flexibility is achieved as the timeshare owners can enjoy RCI's entire range of over 7,000 destinations worldwide. SkiStar Vacation Club is currently offered in Sälen, Vemdalen and Åre, however, the intention is to roll out the concept to more destinations.

INVESTMENTS

The investments expected to be used in the Group's own operations amounted to SEK 166 million (366) during the financial year. In Sälen, this relates to the completion of the fourth and fifth stage of Solbacken in Tandådalen with a further 74 apartments.

Construction is under way on SkiStar Lodge Hundfjället, along with the redevelopment and renovation of premises for restaurants, conferences and swimming at Hundfjällscenter. Furthermore, construction has begun on premises for a SkiStarShop Concept Store and planning for tenant-owned apartments in Timmerbyn Village. SkiStar Lodge Hundfjället was divested to Skiab Sverigefastigheter AB, which will complete construction by the 2021/22 winter season in line with previous planning. The Concept Store and Timmerbyn Village were divested to Skiab Projektfastigheter AB for further management.

DEVELOPMENT PROJECTS IN 2021/22

In Lindvallen, Sälen, land was divested to Skiab Projektfastigheter AB with the aim of constructing some 40 tenant-owned apartments in two stages, with construction beginning in spring 2022. Other land containing two development rights for commercial operations in Lindvallen, Sälen, was divested to Skiab Projekt-



fastigheter AB. Construction has begun at one of the development rights on a SkiStarshop linked to the Concept Store, which will be rented out to SkiStar. Construction of apartments for sale was begun during the year in Hemsedal in an area known as Fjellnest. The project includes 69 apartments in four stages, of which 36 are included in the first step. Work to produce detailed development plans for all destinations will be intensified with the aim of preparing for new development projects. In Åre, planning for an expansion of Rödkullen and a restructuring and extension of Björnen Centrum is continuing. These two projects are being conducted together with other developers in each area.



Our destinations

Sälen*

The Sälen mountains are in northwest Dalarna roughly 400 kilometres from Stockholm and about 450 kilometres from Gothenburg. SkiStar Sälen consists of four resorts – Lindvallen, Högfjället, Tandådalen and Hundfjället – which together offer varied skiing across 100 slopes.

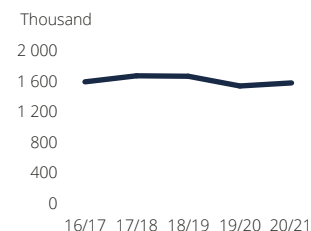
The region offers everything from Scandinavia's largest button lift area, to challenging skiing on one of Sweden's steepest groomed pistes, Väggen, along with several park and off-piste areas. Valle the snowman, SkiStar's concept for children, can be found all over Sälen providing theatre performances and the opportunity to meet Valle at various locations. There are over 400 talking wood sculptures in Trollskogen in Hundfjället.

To complement the skiing, there is SkiStar Lodge Experium Lindvallen – 11,500 sqm of accommodation and an experience centre.

Sälen's skiing area also offers a wide range of restaurants, night-clubs, cafés, shops, dog sledding and snowmobile operators, cross country ski tracks and much more.

A broad range of activities were available for the snow-free season as of summer 2021, including climbing parks, cycling by trail/pump track/skills area, padel courts, crazy golf and Valle activities similar to the winter ski school – both Valle Kids' Club and Teen Camp Bike. All of this was in addition to the existing Experium and lift-assisted activities such as hiking, cycling and running.

NO. SKIER DAYS



Sälen ranks 16th in the ranking of the world's 2,084 largest ski destinations, according to the "International Report on Snow & Mountain Tourism".

OPERATIONS

Operations in the skiing area are pursued almost exclusively on land owned by SkiStar. SkiStar mediates approximately 14,500 beds in the area, around 4,400 of which are owned by the Group. SkiStar Lodge is offered with the classic SkiStar Lodge Experium Lindvallen and the entirely new SkiStar Lodge Hundfjället, which will be opened ahead of the 2021/22 winter season. In addition, SkiStar sublets Sälen's Högfjällshotell, two sporting goods shops and all restaurants on the slopes to external operators. Hammarbybacken in Stockholm is also operated under Sälen's organisation.

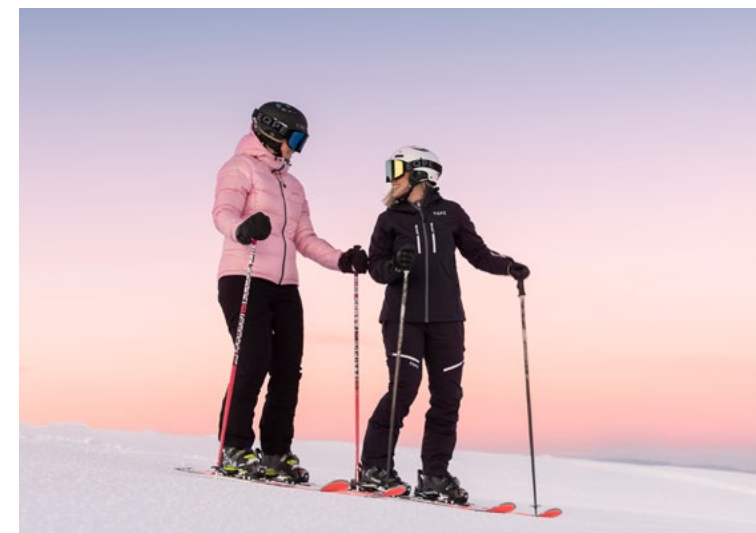
INVESTMENTS

Investments amounted to SEK 66 million ahead of the 2020/21 season, mainly consisting of upgrade investments and new investments in the summer season linked to the SkiStar Sports & Adventures concept.

FUTURE

SkiStar Sälen is being developed with a focus on excellent accessibility, modern lift-adjacent beds, guaranteed snow and a sustainable, fun family product. SkiStar Lodge Hundfjället also contains state-of-the-art lift-adjacent accommodation, while the final Solbacken apartments in Tandådalen and the first stage of the Timmerby Village detached houses in Lindvallen are now complete. Efforts to ensure guaranteed snow are being taken to a new level thanks to new reservoirs for snow production in Hundfjället and Tandådalen. Combined with expanded opening times, accessibility is being further enhanced for guests, and a better guest experience is something we strive for. International developments are continuing, with a broad range of airlines flying to Scandinavian Mountains Airport from the 2020/21 winter season, not least the Danish market with four direct routes from Denmark.

During the summertime, SkiStar Sälen will continue to offer all guests a wide range of activities in addition to hiking, running and cycling in the mountains: pump track and trail cycling, climbing parks, padel courts, crazy golf and more.



SÄLEN IN FIGURES

	2020/21	2019/20
Rented beds	14,500	14,500
Occupancy rate, %	77	74
No. ski school pupils	32,969	39,113
No. ski rental equipment items	14,978	14,684
No. skier days	1,582,000	1,542,000
Number of lifts	90	90
Lift capacity, skiers/hour	90,000	90,000
Number of slopes	100	100
Number of children's areas	9	9
Longest slope, kilometres	2	1.8
Total length of groomed slopes, kilometres	82	82
Maximum vertical drop, metres	303	303
Highest groomed ski area, metres above sea level	860	860
Total area of groomed slopes, square metres	2,890,500	2,890,500
Area covered by snowmaking systems, square metres	2,291,000	2,291,000
No. lighted slopes	32	32
No. snow parks	4	4
No. overnight stays ¹⁾	28,807	19,394
Lift/TrailPass sales, SEK thousands ¹⁾	6,130	2,067

1) Statistics from summer 2021 until the week of August 30.



VEMDALEN*

Vemdalen lies approximately 480 kilometres northwest of Stockholm, on the border between the provinces of Härjedalen and Jämtland, and consists of three resorts: Björnrike, Vemdalsskalet and Klövsjö/Storhogna.

Vemdalsskalet is the largest resort in terms of revenue. In addition to varied skiing, Vemdalsskalet also offers a wide range of entertainment and activities. Björnrike is the choice of families with children. Good skiing, with accommodation close to the ski lifts and good service facilities, combine to make Björnrike an attractive destination. Klövsjö, also known as the “ski resort for skiers” and “Sweden’s most beautiful village”, offers good skiing for children and beginners, as well as more challenging skiing. Storhogna offers the option of combining skiing with other activities and experiences, including Sweden’s first mountain spa.

OPERATIONS

SkiStar’s operations in Vemdalen include skiing areas, ski schools, six ski rental outlets and two sporting goods outlets. Approximately 6,700 beds in the area are mediated through SkiStar, around 700 of which are owned by the Group. Approximately 58 percent of the land on which operations in the skiing areas are

conducted is owned by the Group. The remaining land is leased on a long-term basis, with the right to renew the lease on expiration. Three slope restaurants are sublet to external operators.

INVESTMENTS

Investments for the 2020/21 season amounted to SEK 15 million and were largely related to reinvestments in existing operations, with a focus on the skiing area.

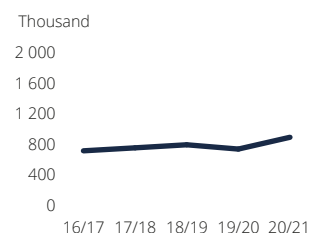
FUTURE

During the past few years, more and more guests have been discovering Vemdalen and SkiStar’s operations. The genuine sense of how the mountains once were, the personal welcome and small-scale nature combined with modern solutions that offer a comfortable mountain holiday are some of the things that lead people to choose a holiday in Vemdalen. Most activities here are centred around skiing and outdoor activities, with the whole family together in the natural mountain environment with expansive views.

As Vemdalen grows, we will continue to focus on reinforcing the cornerstones of our business: active, genuine, personal, safe and easy to be a sustainable guest.

We are currently working actively to develop our skiing areas so we can ensure there is enough space on our slopes and the requisite infrastructure.

NO. SKIER DAYS



THE NUMBER OF SKIER DAYS INCREASED SIGNIFICANTLY DURING THE 2020/21 FINANCIAL YEAR BY 21 PERCENT TO 898,000.



VEMDALEN IN FIGURES

	2020/21	2019/20
Rented beds	6,700	6,700
Occupancy rate, %	80	62
No. ski school pupils	11,011	10,633
No. ski rental equipment items	8,289	7,754
No. skier days	898,000	744,000
Number of lifts	35	35
Lift capacity, skiers/hour	38,512	38,512
Number of slopes	58	58
Number of children's areas	4	4
Longest slope, kilometres	2	2
Total length of groomed slopes, kilometres	52	52
Maximum vertical drop, metres	470	470
Highest groomed ski area, metres above sea level	946	946
Total area of groomed slopes, square metres	2,013,900	2,013,900
Area covered by snowmaking systems, square metres	1,502,853	1,502,853
No. lighted slopes	18	18
No. snow parks	3	3



ÅRE*

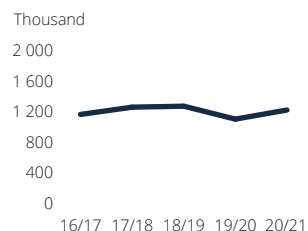
Åre, which is situated 650 kilometres northwest of Stockholm, consists of three destinations: Åre Björnen, Åre By and Duved. Each destination has its own profile and target group.

Åre Björnen, the resort located farthest to the east, is a favourite with children. Just one lift away is the more challenging skiing at Åreskutan, offering an extensive choice of ski slopes and varied terrain. Åre By is the most well-known destination. Fantastic skiing can be found here in the direct vicinity of a small town with a great atmosphere and a long tradition of ski tourism, as well as a wide selection of restaurants, entertainment and activities. Duved is situated west of Åre By and is also a resort with a long-standing tradition. Duved has a slightly calmer pace and, consequently, suits all types of skiers.

OPERATIONS

SkiStar's operations in Åre include the skiing area, eight ski rental outlets, a sporting goods outlet and a ski school. Approximately 32 percent of the land on which operations in the skiing area are conducted is owned by SkiStar, while the remaining 68 percent is held through 30–50-year leases. At the end of the leasing period, SkiStar has the right to renew these leases on the same terms as are currently in place. SkiStar rents out approximately 6,100 beds in the area, around 650 of which are owned by the Group. The company also owns and sublets eight slope restaurants, food shops in Åre Björnen and Tegefjäll, as well as the restaurant, nightclub and conference centre Bygget in Åre Fjällby.

NO. SKIER DAYS



Åre ranks 35th in the ranking of the world's 2,084 largest ski destinations, according to the "International Report on Snow & Mountain Tourism".

SKISTAR ÅRE INVESTING IN SUMMER

Åre is already a summer destination with one of the world's most renowned cycle parks, Åre Bike Park. Before the launch of SkiStar Sports & Adventures, a major investment was undertaken to offer our guests an active mountain holiday in Åre in the summertime too. Cycling adventures in the form of new trails and routes along with climbing parks can now be experienced and enjoyed.

INVESTMENTS

Investments for the 2020/21 season amounted to SEK 39 million and related to reinvestments in existing operations, limited expansion of snow production capacity, lighting and new investments in the snow-free period and the Sports & Adventures concept.

FUTURE

In Åre, we will continue to attract future guests through adventurous and memorable mountain experiences. Our priority moving forward will be to modernise, expand the capacity of and weather-proof our ski system, all with as little environmental impact as possible. We will continue to strengthen our skiing areas, in part through attractive skiing opportunities but also through initiatives that make it easier to be a guest. We will also continue to develop our arena in the summertime through cycling and hiking but also other activities such as climbing parks and children's concepts.

SkiStar Åre is proceeding with its long-term commitment to foreign markets via marketing activities in prioritised markets and annually recurring international events.

Before the launch of Sports & Adventures, a major investment was undertaken to offer our guests an active mountain holiday in the summertime too. Cycling adventures in the form of new trails and routes along with climbing parks can now be experienced and enjoyed.

We also place major importance on the welcome provided by our employees and want to ensure that everyone who stays in Åre has a safe, secure and joyful experience, be it summer or winter.



ÅRE IN FIGURES

	2020/21	19/2020
Rented beds	6,100	6,400
Occupancy rate, %	78	68
No. ski school pupils	11,286	11,465
No. ski rental equipment items	9,285	10,633
No. skier days	1,228,000	1,109,000
Number of lifts	41	41
Lift capacity, skiers/hour	54,555	54,555
Number of slopes	89	89
Number of children's areas	4	4
Longest slope, kilometres	7	7
Total length of groomed slopes, kilometres	191	191
Maximum vertical drop, metres	890	890
Highest groomed ski area, metres above sea level	1,274	1,274
Total area of groomed slopes, square metres	3,304,194	3,304,194
Area covered by snowmaking systems, square metres	2,058,405	2,058,405
No. lighted slopes	8	8
No. snow parks	3	3
No. overnight stays ¹⁾	10,833	7,299
Lift/TrailPass sales, SEK thousands ¹⁾	15,932	10,775

1) Statistics from summer 2021 until the week of August 30.



HEMSEDAL*

Hemsedal is situated 200 kilometres northwest of Oslo and 280 kilometres east of Bergen. The destination, often referred to as the Scandinavian Alps, is a complete ski resort, offering a wide selection of activities for skiers of all ages.

Hemsedal is home to one of Norway's largest nursery slopes, alongside extremely challenging slopes for the most advanced skiers.

OPERATIONS

SkiStar's operations in Hemsedal include the skiing area, a ski school, four ski rental outlets and three sporting goods outlets. Some 4,500 beds in the area are mediated through SkiStar, just over 1,000 of which are owned by the Group. Operations in the skiing area are conducted on leased land. The lease contracts are long-term and SkiStar is entitled to renew them on expiration. Six slope restaurants are sublet to external operators.

INVESTMENTS

Investments for the 2020/21 season amounted to SEK 8 million. These mainly comprise upgrade investments.

FUTURE

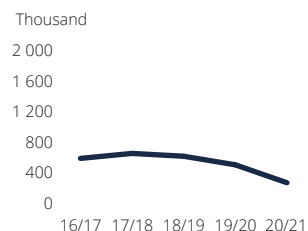
SkiStar's Hemsedal is planning to develop the destination further during the coming year, both in terms of the ski area whereby we

collaborate with land owners and investors concerning future development of alpine skiing, but also property development given we own attractive locations connected to the lift systems. The advantage in Hemsedal is that we already run the two SkiStar Lodge hotels, SkiStar Lodge Suites and SkiStar Lodge Alpin Hemsedal, where we are continuing to develop the Lodge concept. We are also developing summer operations. The aim is to further develop SkiStar Hemsedal, as well as the destination as a strong brand for an active holiday all year round. In terms of sustainability, we are focusing on shifting to HVO (renewable diesel) in our snow groomers, but also offering more electric charging points in the area.

Besides Norway, Hemsedal's main markets are Denmark and Sweden, which apart from being the domestic market will also be our most important markets in the future. We will continue to focus on the guest's journey and experience at the destination, and prioritise developing our product and training our employees to have a clear guest perspective.

**THE NUMBER OF
SKIER DAYS FOR
2020/21 AMOUNTED
TO 278,000.**

NO. SKIER DAYS



THE 2020/21 SEASON was strongly affected by the restrictions applying to travel into Norway for international guests, as three quarters of visitors come from abroad during a normal year. In reality, Hemsedal was only accessible for the Norwegian market during the entire 2020/21 winter season. In addition, restrictions on the number of people staying at each unit had a further negative impact on operations. The number of skier days for 2020/21 amounted to 278,000. This is a 46 percent fall compared to the previous season.



HEMSEDAL IN FIGURES

	2020/21	2019/20
Rented beds	4,500	4,600
Occupancy rate, %	18	60
No. ski school pupils	1,256	8,033
No. ski rental equipment items	6,137	6,143
No. skier days	278,000	512,000
Number of lifts	21	19
Lift capacity, skiers/hour	28,985	26,800
Number of slopes	53	51
Number of children's areas	1	1
Longest slope, kilometres	6	6
Total length of groomed slopes, kilometres	48	54
Maximum vertical drop, metres	830	830
Highest groomed ski area, metres above sea level	1,450	1,450
Total area of groomed slopes, square metres	1,431,884	1,624,500
Area covered by snowmaking systems, square metres	819,037	933,800
No. lighted slopes	13	12
No. snow parks	4	4



TRYSIL

Trysil is situated 210 kilometres northeast of Oslo. The mountain, Trysilfjellet, offers 78 kilometres of skiing on three sides of the mountain and is therefore suitable for both families with children and more experienced skiers.

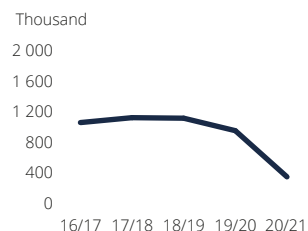
Trysil is Norway's largest ski resort and is highly accessible, owing to its geographical location.

OPERATIONS

SkiStar's operations in Trysil comprise the skiing area, three ski rental outlets and the ski school, in which SkiStar has a 35 percent stake. SkiStar mediates around 7,100 beds in the area. Operations in the skiing area are conducted on leased land. The leases have a term of 50 years, with the possibility for SkiStar to renew upon expiration. SkiStar also sublets 14 slope restaurants in Trysil to external operators.

Ahead of the launch of SkiStar Sports & Adventures, we made efforts to offer guests an active mountain holiday in the summer-time too, including by making the lift system better adapted for bikes and by offering Teen Camp Bike to all children ages 8-15, who can challenge themselves and test mountain biking in a relaxed environment. Under the guidance of skilled guides, the children get the chance to experience the excitement of different types of biking in a mountain environment.

NO. SKIER DAYS



The 2020/21 season was also strongly affected in Trysil by the restrictions applying to travel into Norway for international guests, where 85 percent of visitors consist of Danes and Swedes during a normal year. In reality, Trysil was also only accessible for the Norwegian market during the entire 2020/21 winter season. The number of skier days for 2020/21 amounted to 355,000. This is a 63 percent fall compared to the previous season.

INVESTMENTS

Investments were made ahead of the 2020/21 winter season totalling some SEK 15 million, including investment in the new Sports & Adventures summer concept. In addition to annual maintenance, this involves a new conveyor at the hotel in Fageråsen. Continuous investments are made in the snow system to ensure the destination has reliable snow, as well as in the widening of the slopes so guests will have a better and safer alpine experience. Investments for 2020/21 were lower than normal due to Covid-19.

FUTURE

To develop operations with a focus on guests, SkiStar in Trysil will continue to enhance the ski system, mainly slopes, lifts, snow production, restaurants and other service facilities. A major shift in terms of sustainability is our move to HVO (renewable diesel) in our snow groomers, but also more electric-vehicle charging points to facilitate sustainable transport to SkiStar Trysil. We will also continue to develop our summer product offering through the SkiStar Sports & Adventures concept, creating memorable mountain experiences all year round. Our focus is on creating positive experiences and having even more satisfied guests who return to us regularly. Our main target group will continue to be active families in our markets in Norway, Sweden and Denmark, and we will continue to invest in Britain, Germany and the Netherlands. Trysil has been a success in the international market and will continue along this path.

In the future, SkiStar will strengthen its position as an operator of quality accommodation for guests in Trysil, as a mediator of cabins and apartments but also principally through operation of the two hotels, Radisson Blu Resort and Radisson Blu Mountain Resort & Residences in Trysil.

**TRYSIL RANKS 48TH
IN THE RANKING OF
THE WORLD'S 2,084 LARGEST
SKI DESTINATIONS, ACCORDING TO THE "INTERNATIONAL
REPORT ON SNOW &
MOUNTAIN TOURISM".**



TRYSIL IN FIGURES

	2020/21	2019/20
Rented beds	7,100	6,500
Occupancy rate, %	8	64
No. ski rental equipment items	10,303	8,417
No. skier days	355,000	958,000
Number of lifts	31	29
Lift capacity, skiers/hour	35,915	35,915
Number of slopes	68	68
Number of children's areas	3	3
Longest slope, kilometres	5	5
Total length of groomed slopes, kilometres	78	78
Maximum vertical drop, metres	685	685
Highest groomed ski area, metres above sea level	1,100	1,100
Total area of groomed slopes, square metres	2,541,100	2,541,100
Area covered by snowmaking systems, square metres	1,197,100	1,197,100
No. lighted slopes	6	6
No. snow parks	6	6
No. overnight stays ¹⁾	2,857	2,448
Lift/TrailPass sales, SEK thousands ¹⁾	3,320	2,492

1) Statistics from summer 2021 until the week of August 30.



On 5 May 2021, it was decided that SkiStar will divest its ownership share in St. Johann in Tirol, but the transaction is not yet complete.

St. Johann in Tirol is a charming ski resort situated in the heart of the Austrian Tyrol, roughly 60 kilometres from Salzburg, 100 kilometres from Innsbruck and 160 kilometres from Munich. A total of 16 lifts transport skiers up to the summit of the skiing area, 1,604 metres above sea level. Some 43 kilometres of red and blue runs then take you all the way from the summit down to the village, along the north side of Kitzbüheler Horn. St. Johann in Tirol also offers large areas for children and beginners, which give the resort a distinct family-oriented atmosphere.

OPERATIONS

St. Johann in Tirol's main source of revenue is SkiPass sales. Lifts and slopes are on land leased by the company. Commercial accommodation is offered primarily via small, family-owned hotels. Ski hire and the ski school are run by external operators in cooperation with the resort. The skiing area has 19 slope restaurants, many of them housed in family-owned farms on the mountainside.

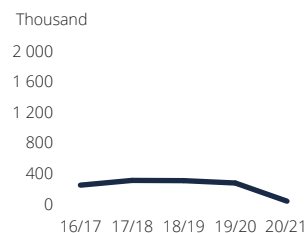
The number of skier days totalled 62,000, which is a 78 percent reduction year-on-year, largely attributable to the Covid-19 pandemic and the resulting drop in guests.

INVESTMENTS

Following significant investments over the past few seasons, including an upgraded and expanded snowmaking system, a new 10-seat gondola and a new 6-seat lift, the most recent Covid-hit seasons have focused on maintaining the modern resort.

**IT WAS DECIDED
THAT SKISTAR WILL
DIVEST ITS OWNERSHIP
SHARE IN ST. JOHANN IN
TIROL, BUT THE TRANS-
ACTION IS NOT YET
COMPLETE.**

NO. SKIER DAYS



ST. JOHANN IN FIGURES

	2020/21	2019/20
No. skier days	62,000	283,000
Number of lifts	17	16
Lift capacity, skiers/hour	15,000	11,320
Number of slopes	22	22
Number of children's areas	4	4
Longest slope, kilometres	6	6
Total length of groomed slopes, kilometres	43	43
Maximum vertical drop, metres	940	940
Highest groomed ski area, metres above sea level	1604	1604
Total area of groomed slopes, square metres	1,333,000	1,333,000
Area covered by snowmaking systems, square metres	1,040,000	1,040,000
No. lighted slopes	1	1
No. snow parks	1	1



Sustainability

Sustainability and responsible entrepreneurship are an integral part of SkiStar's strategy, business model, governance and culture. SkiStar's three foundations are safe & secure, sustainability and employees & culture. They permeate everything we do and are a cornerstone of our business. This year we have taken a big step forward by adopting a new sustainability strategy containing a new climate target.



SkiStar and sustainable mountain experiences



Fanny Sjödin, Head of Sustainability at SkiStar.

WHAT DOES SUSTAINABILITY MEAN TO SKISTAR?

"From the start, SkiStar's foundation has been, and still is, to promote an active lifestyle all year round. Through our sustainability strategy, we want to get more people moving while our guests get to enjoy our wonderful mountain environment. We want to protect the nature and humans in the short and long term so that more people can enjoy both memorable and sustainable mountain experiences in the future too. We have therefore prepared a new sustainability strategy based on The Global Goals and the 2030 Agenda for Sustainable Development containing the three perspectives of social, economic and environmental sustainability. The strategy includes matters that have always been important to SkiStar and that we have worked on for a long time, but now we are enhancing it to include long-term goals and clearer ambitions going forward."

HOW DOES THIS RELATE TO YOUR STRATEGIC FRAMEWORK?

"Sustainability issues affect all three foundations on which SkiStar's strategic framework rests: Safe & Secure, Sustainability and Employees & Culture. These foundations are the cornerstones that should permeate everything we do and that frame much of what we have worked on for a long time: ensuring safe and secure memorable mountain experiences, and doing so in a sustainable way together with our employees. The sustainability strategy is one of these foundations and consists of three focus areas: promoting an active lifestyle, protecting nature and our mountain environments and having a close interaction with the communities and people who live wherever we operate."

WHAT HAVE YOU FOCUSED ON THIS YEAR?

"A major part has involved producing our new sustainability strategy – an initiative that has engaged much of the organisation and many of our stakeholders. An important milestone is that we have adopted a new climate target that encompasses our entire value

chain. The climate is an important issue for us, as a change in the climate alters the conditions for our business. We have also begun the work of finding and developing projects that can be implemented in both the long and short term. Our business can contribute to a more healthy lifestyle and better public health. For this reason, we entered new collaborations during the year to ensure more people have access to an active lifestyle."

WHAT IS THE AMBITION GOING FORWARD?

"This year we have launched new initiatives to start working towards our long-term goals, for example, a major partnership with Jämtkraft, see page 39, which will start properly next year. We will also continue to implement the strategy and identify additional key figures to measure and follow up those efforts, and focus on launching more initiatives internally and with new partners."

Fanny Sjödin, Head of Sustainability at SkiStar.





Foundations for Sustainability

SkiStar's strategic framework is based on three foundations to ensure the business can achieve its vision "To create memorable mountain experiences". The foundations' focus areas guide the work forward and include our sustainability strategy, employees and culture, and a safe and secure experience.

FOUNDATIONS

SAFE & SECURE

Book
Stay
Lift & Piste

SUSTAINABILITY

Activity & Recreation
Ecosystem & Impact
Dialogue & Interaction

EMPLOYEES & CULTURE

Culture & Values
Leadership
Organisation



SUSTAINABILITY GOVERNANCE

To take advantage of opportunities and counteract risks, SkiStar has a clear sustainability management structure. Responsibility for sustainability-related issues is ultimately held by SkiStar's Board of Directors; the President and CEO and Group Management have overall responsibility, reporting to the Board at least twice a year. The Head of Sustainability is responsible for operational sustainability initiatives. An operational sustainability forum was established during the year to support these operational sustainability efforts. The forum meets regularly to discuss the company's development, achieve established goals and ensure compliance with policies and guidelines. Read more about our sustainability governance on pages 101–102.

Policies and guidelines

The company's internal sustainability initiatives are governed by SkiStar's Code of Conduct as well as its sustainability policy, employee policy, work environment policy, diversity policy and Code of Conduct for suppliers and partners. All documents are reviewed annually. SkiStar follows global guidelines and principles set by the UN Global Compact and is committed to following its ten principles regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. SkiStar applies the precautionary principles and collaborates in industry initiatives to achieve long-term sustainable development, for example within the SLAO (Swedish Ski Lift Organisation) and ALF (Norwegian Ski Lift Association).

Risk management

SkiStar is exposed to various risks related to its business. It annually identifies the risks that may prevent the company from achieving established goals and determines whether the risks are in line with its propensity for risk. SkiStar's identified sustainability risks and how they are managed are described on pages 49–50.

MATERIAL ISSUES

During the year, the materiality analysis was revised and updated in line with stakeholder dialogues conducted through surveys and in-depth interviews. Read more about our stakeholder dialogue and materiality analysis on page 103.



> FOUNDATION: SUSTAINABILITY



Activity & Recreation

Getting people moving has been at the heart of SkiStar's operations since the company was founded more than 45 years ago. By making an active holiday available to more people, we can help promote a more active and sustainable lifestyle and enhance well-being.

MORE ACTIVITY FOR MORE PEOPLE

The core of our business is getting more people more active. Research shows that we feel good when we are active and spending time in nature – even more so if we are active in nature. This has a positive effect on how we feel, both physically and mentally, by lowering our heart rate and reducing stress. Making it easier for more people to be active on their holiday creates the conditions for a more active lifestyle, even beyond the holiday. This is our way of contributing to better public health and to the UN's Sustainable Development Goal 3 for good health and well-being.

Alpine skiing forms the basis of our operations and is an important aspect to continue offering and developing. Our goal is to get more people to take part in our activities, both in the summer and the winter. During the year, we adopted our goal of offering 7 million skier days and activities per year by 2030, of which 6.4 million are skier days and 600,000 activities. We will achieve this by establishing new collaborations and initiatives linked to our destinations all year round.

Schools that teach the joy of an active life

We want to help everyone discover the joy of an active life. Through our ski schools, we want more people to be given the opportunity to have fun on the ski slopes and stable, basic training that makes everyone feel safe and secure. In 2020/21, more than 58,000 (80,000) children and adults took part in our training – a decrease due to the pandemic. All children and young people up to the age of 15 resident in the municipality are offered a free SkiPass at all SkiStar destinations. During the 2020/21 winter season, 2,694 children and young people took advantage of this opportunity. During the summer season, cycling lessons are offered via our cycling guides to enable more people to discover the mountains in the summer. The cycling guides offer both beginner groups and private lessons adapted to different levels of difficulty.

Valle's Winter Weeks

An active life often starts at an early stage. Lowering the threshold for activities for children and young people helps encourage an active lifestyle that follows into adulthood. At Valle's Ski School, children learn how to be safe and confident skiers, with the support of our highly qualified ski instructors and Valle the Snowman. To make it possible for more children to discover the mountains, skiing, the ski school and ski rentals are free for children up to the age of six during Valle's Winter Weeks. More than 25,000 (35,000) children attended our ski schools during the 2020/21 winter season.

Generation Pep

Promoting physical activity among children is an increasingly important societal issue. Only 2 out of 10 children currently manage the amount of physical activity recommended according to Generation Pep's annual report. To encourage more activity, SkiStar entered into a partnership during the year with Generation Pep, a popular movement that works to inspire children and young people to lead a healthier life. Using Valle as a role model, training programmes and the Valle's World game were launched to inspire healthy diets. The ambition is to reach all children and young people that SkiStar comes into contact with every year.

AN ACTIVE SUMMER

We want to encourage more people to be active and experience the mountains in the summer, which is why SkiStar has developed a major summer initiative called SkiStar Sports & Adventures. We have expanded our destinations of Åre, Sälen and Trysil to offer a wide variety of summer activities adapted to different levels of difficulty.

The destinations offer multiple activities in the mountains to make them more accessible all year round, such as climbing parks, trail cycling and hiking trails. There is also the chance to play padel

2030

Goal	• SkiStar will be the primary choice for guests who prioritise an active holiday
Performance measures	<ul style="list-style-type: none"> • 7 million skier days and activities of which: • 6.4 million skier days • 600,000 activities • Help attract more new guests

**MYSKISTAR**

MYSKISTAR is the customer club for everyone who loves holidays in the mountains, be it skiing in the winter or an active holiday in the summer. You get discounts and offers on ski trips and summer activities, points on all your purchases at skistar.com and skistarshop.com, skiing statistics during your skiing holiday and much more. The entire family can connect on MySkiStar and collect vertical metres. The customer club has over 1.3 million members, who together collected over 4,800,000 pins in total and travelled 4 billion drop meters during the financial year.

and crazy golf and to enjoy a spa and relaxation centre. Nearly 20,000 guests have tested the climbing parks in Sälen and Åre, and bike rentals increased their sales by more than 200 percent on average compared with the previous year.

Valle Kids Club

Valle Kids Club was launched as part of the summer initiative – a summer holiday activity for children aged 4-9. Through adventures, missions and games in a mountain environment, children are encouraged to learn to take care of nature, different animals, the Right of Public Access and, not least, themselves. The initiative was implemented in Sälen during the first year, with over 450 children taking part during the summer. Together with Valle, the participating children took 14 million steps.



> FOUNDATION: SUSTAINABILITY



Ecosystem & Impact

We at SkiStar want to protect nature, just as nature protects us. Through ambitious climate targets and the establishment of more circular solutions, we are working to reduce our impact and enable our guests to make climate-friendly choices.

CLIMATE

Global warming is occurring at a rapid pace and the world is heading for a rise in temperature above the two degrees that the Paris Agreement and the United Nations' Intergovernmental Panel on Climate Change (IPCC) consider to be safely within planetary boundaries. For SkiStar, a change in the climate will have a direct and considerable impact on our business. White, cold winters are a prerequisite for our winter operations, and more unstable weather changes our ability to plan and run those operations. Therefore, it is self-evident that we should reduce our own carbon footprint to ensure that our mountain and natural environments can be enjoyed by future generations. However, it also means that we need to adapt to the fact that the climate and society will change and start contributing innovative and circular solutions.

New climate target

We are raising our ambition with our new climate target. By 2030, we will reduce our total carbon footprint by 50 percent, in line with the sustainable development goals and the Paris Agreement. The climate target includes both direct and indirect emissions, and we want to take responsibility by attempting to influence both our suppliers' and guests' emissions. We expect to reduce emissions from our own operations by 90 percent by switching from diesel to HVO for operations in Norway and increasing the use of electric snowmobiles, to take two examples.

Reduction in direct emissions

Over the past five years we have done a great deal of work to reduce our own impact. Through new technology to reduce our fuel consumption, energy efficiency improvements and increased

OVERALL CLIMATE IMPACT

- Purchases of goods and services, 40,5%
- Guest travel, 35%
- Fuel and energy-related activities, 10%
- Employee travel to workplace, 8.5%
- Operations, 6%

We calculated our total carbon footprint during the year and began reporting in line with the Greenhouse Gas (GHG) Protocol. The calculations are based on data from 2019/20. Over the next financial year we will continue our efforts, include new hotel operations to a greater extent and define clearer targets in the areas in which we have the greatest impact, such as Property Development and Exploitation and purchases for SkiStarShop.

2030

Goal	<ul style="list-style-type: none"> SkiStar will reduce its climate impact by at least 50 percent and have a circular solutions, while creating financial growth
Performance measures	<ul style="list-style-type: none"> Net-zero climate impact from our operations. Halve the climate impact from guests' and employees' journeys to the destination < 2–3 percent annual energy efficiency enhancement at SkiStar's properties Increased share of self-produced energy Promote biodiversity by including the mitigation hierarchy throughout all projects.

PARTNERSHIPS FOR MORE SUSTAINABLE MOUNTAIN TOURISM

Three major parts of SkiStar's climate impact arise as guests travel to our destinations, energy is consumed at properties and snow is produced. We want to change this. For this reason, SkiStar has entered a partnership with the electricity company Jämtkraft to jointly come up with new climate and energy solutions for the mountain resort destinations of the future.

In addition to joint climate and innovation efforts, electricity agreements are also included that use 100 percent renewable energy and are certified as a Good Environmental Choice for SkiStar's facilities in Vemdalen, Sälen and Åre as well as via the subsidiary Scandem A/S for Trysil and Hemsedal. The partnership is seen as a long-term investment that we hope will continue for a long time.



resource efficiency, emissions from our own operations have decreased by 46 percent compared to the starting year 2015. The reason for this is that most of the ski systems and equipment at our Swedish destinations are run on renewable energy and fossil-free fuel, including our ski buses. To further reduce emissions from our snow groomers, all of them now have snow-depth gauges with GPS devices to optimise and streamline how they drive and make snow. Fossil-free fuel accounts for 63 (60) percent of our total fuel consumption, an increase of 3 (5) percent compared with 2019/20. During the financial year, SkiStar's carbon dioxide emissions from operations (S1 and S2) amounted to 2,082 tonnes, which is a reduction of 17 percent compared with 2019/20. See Note H6 on page 110.

Sustainable destinations

As part of our climate ambitions, we want to take responsibility for our indirect emissions and reduce guests' climate impact. We achieve this by reducing the need to use a car at our destinations, for example. We offer free bus transport for our guests with a Ski-Pass, and ensure that all new construction offers solutions allowing the guest to get from their accommodation to the slopes without a car. We also want to reduce the impact from guests' journeys to and from our destinations, as well as encourage and simplify the use of electric cars. We ensure that charging stations are provided for all new construction of accommodation. In addition, we are working to develop infrastructure for electric cars both at our destinations and on the journey to our destinations.

SkiStar's world in 2060

Climate change is expected to have a major impact on people's travel, not least on tourism. Like all markets, tourism is dependent on supply and demand. As global warming changes the climatic conditions of countries across the globe, this will create a gradual shift in tourist destinations.

To gain a better understanding of how climate change may affect SkiStar and the hospitality industry in the future, we have conducted climate scenario analyses for all of our destinations. Climate scenarios help us understand what our climate may look like in the future depending on several global issues like politics, technology, economics and societal change. By analysing the possible effects on operations in different climate scenarios, we are

able to identify both adjustment risks and physical risks. These can then help us to adapt our future strategy. Read more about the analyses and our reporting on climate risks in line with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) on pages 107–108.

ENERGY

We must aim to use energy efficiently to realise our climate ambitions. SkiStar strives to streamline energy use within its operations. For several years now, all electricity has been purchased from renewable energy sources and is labelled a "Good Environmental Choice", which ensures that the electricity is produced with the greatest possible consideration for the climate and environment. For the most energy-intensive processes such as snow production and the operation of properties and lifts, we systematically map and analyse our electricity consumption and run the processes with as little usage as possible. Energy consumption is an aspect we take into consideration when making new investments and reinvestments.

ENVIRONMENTALLY CERTIFIED BUILDINGS

To reduce the impact of new construction, SkiStar decided during the year that all larger newly constructed buildings must be environmentally certified according to BREEAM's "very good" status. This certification ensures that sustainability issues are highlighted throughout the work process and that the building's environmental performance meets requirements for energy use, indoor climate, water management and waste management. For smaller buildings, there are requirements to satisfy the environmental certification of SGBC Silver at a minimum, which sets requirements for energy use, indoor environment and materials.

TOWARDS INCREASED REUSE

There are several aspects to a skiing trip that consist of reusable resources. For SkiStar, optimisation and reuse of resources has become an integral part of our business model. We have a long history of mediating accommodation, whereby we offer accommodation owners the chance to rent via SkiStar, thus increasing the use of available beds at our destinations and reducing the need for new construction. Renting ski and bicycle equipment through



RESTORE THE MOUNTAIN ENVIRONMENT

SkiStar is concerned about protecting the skiing areas and new constructions. Part of this involves restoring nature that has been negatively impacted and maintaining our mountain environments. When the downhill slope in Åre was built in the 1980s, several explosions were carried out to make the construction possible. Since then, the vegetation on the mountain has had difficulty growing back. To restore the natural mountain environment, we have initiated a project together with the County Administrative Board and that the landowners will identify the best methods for regaining vegetation in the area. The project is expected to run for two to three years.



SkiStarShop is a natural part of many people's trips to the mountains, and we are reviewing the possibility of expanding the offer to include clothing. The strength of being a major operator accustomed to the rental process is that we can offer advantageous all-inclusive offers and build on existing processes to expand the services.

BIODIVERSITY

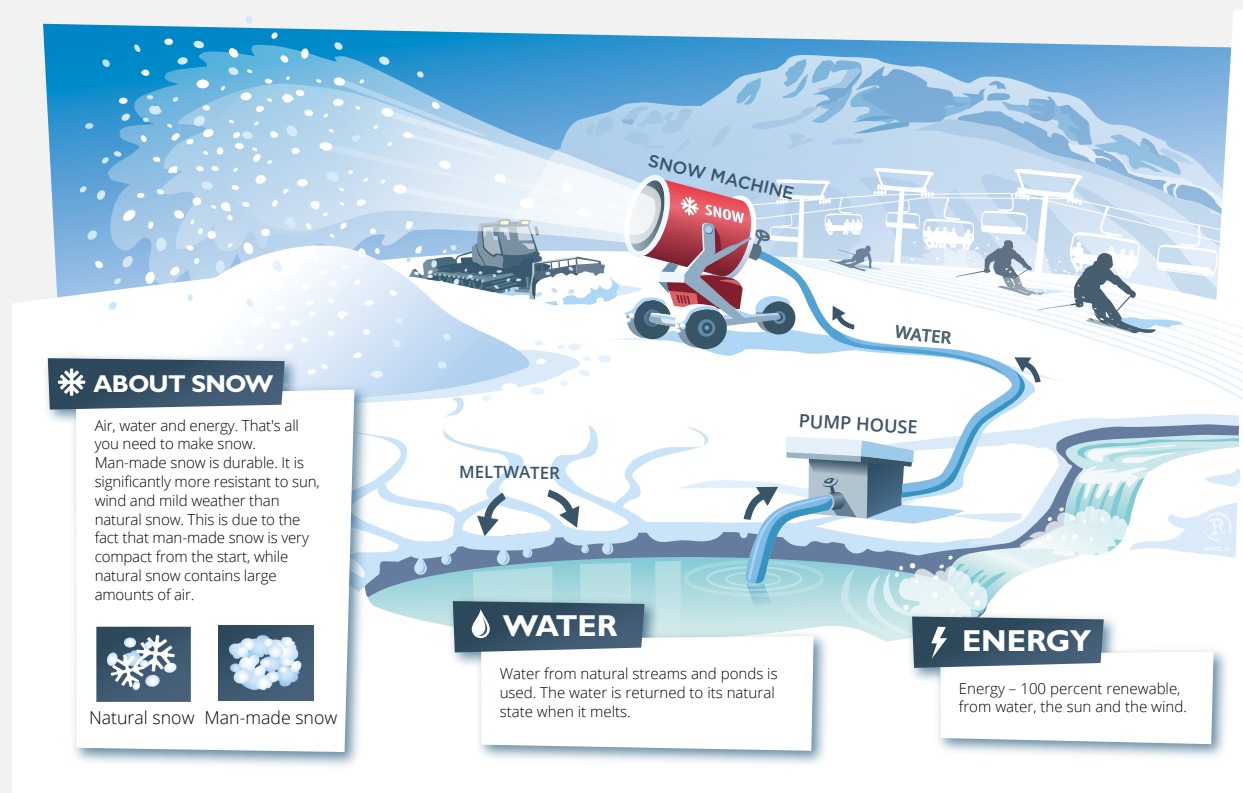
To give more people the opportunity to experience the mountain world and proximity to unspoiled nature over the long term, we need to preserve that alpine environment and its biodiversity. Our skiing areas are regulated by environmental requirements on the development of untouched nature. Our fundamental approach is to not develop untouched land, instead densifying the areas that are already in use. The need to expand infrastructure and transport is reduced by concentrating beds centrally in the skiing area. When development does take place – in the case of new construction or expansion of the skiing area – we are careful to save existing forests to preserve the proximity to nature.

SNOW PRODUCTION

To manage our winter operations and offer skiing at our destinations, there is a recurring need to make snow with canons. This is more durable and robust snow that withstands the effects of weather better than natural snow, but it is water and energy-intensive activity that accounts for the largest share of water used in our operations.

SkiStar wants to make snow production as resource-efficient as possible. One aspect of this is producing the right amount of snow in the right location. There are now snow groomers at all destinations containing GPS equipment that measures snow depth, meaning the snow production is programmed to produce the right amount in the places where it is needed. Water consumption amounted to 4.5 million litres during the year, which is a decrease of 6 (8) percent compared with 2019/20.

Energy consumption linked to snow production has also been reduced. Using an automated system for snow production, the snow is produced when weather conditions are optimal. This means that larger quantities are produced over a shorter period, which in turn means that the energy consumption to produce snow has been reduced over the past ten years.



FROM WATER TO SNOW

During production, natural water is extracted from nearby watercourses and lakes, which in some cases is stored in ponds adjacent to our facilities. Water is collected from these sources at the beginning of the winter season. The water is regulated for each source by water rights court rulings. When the snow melts in the spring, the water returns to its natural sources.



> FOUNDATION: SUSTAINABILITY



Dialogue & Interaction

We take responsibility in the areas in which we operate and throughout the entire value chain by focusing on dialogue and interaction. Collaborations enable us to both accelerate sustainable development together with our stakeholders and create long-term sustainable solutions that contribute to positive trends in business and the wider community.

A PART OF THE LOCAL COMMUNITY

SkiStar will be a driving force for sustainable mountain tourism at our destinations. Part of that commitment is to contribute to the local communities in which we operate through conversations, dialogue and collaborations. We operate in the same place and are all dependent on each other, which is why we want to strengthen our local communities in any way we can.

SkiStar's business have an impact on the local economy by creating and generating jobs in sparsely populated areas and in their surrounding areas. They also stimulate more tourism locally, giving other companies the opportunity to work in and around the destinations, such as restaurants and other activities close to the mountains. This generates jobs in the local area, meaning more people can stay in sparsely populated areas, and increases the opportunity for capital to be invested and reinvested.

Initiatives in our municipalities

SkiStar is keen to ensure that residents of our destinations should have access to and be able to spend time in the mountain environments to which they live so close. In Åre and Sälen, we offer a reduced ski school fee for children aged 2–6 who attend preschool there. This provides greater opportunities for more residents to spend time with us and makes things easier for parents who may otherwise have difficulty taking their children up the slopes. We offer municipal discounts to adults and have conducted several municipal days during the winter and summer whereby we offer everyone free activities at the resort.

Swedish skiing for immigrants (SFI+)

Making skiing accessible means promoting the opportunity to test skiing among those who have never done so before. On the initiative of Åre municipality, students from the Swedish for Immigrants

courses are offered a day outdoors on the mountain. SkiStar sponsors the day by providing a SkiPass, skiing equipment and ski instructors so that students can experience the nature and activities of the mountain environment in a meaningful way. It is also a way to show off the benefits of living in the countryside and the opportunities afforded by living close to nature and the mountains.

SKISTAR COLLABORATES WITH ITS SUPPLIERS FOR THE FUTURE

Together with suppliers, SkiStar is developing a snow groomer completely powered by electricity. SkiStar was first in the world to test the machine during the financial year and thus help the supplier develop the machine with the aim of eventually incorporating it into SkiStar's equipment. Trollskogen was prepared at SkiStar Sälen in Hundfjället using 100 percent renewable electricity over a number of days, for example.

SÁPMI

It is important for SkiStar to have a positive dialogue with all stakeholders who are affected by and live in the neighbourhood of our destinations. As our operations are in an mountain environment, parts of them are run in Sápmi, Lapland, where our destinations Åre and Vemdalen are located. As our summer activities are expanded, cohabitation between our guests and wildlife will become an even more important issue.

For SkiStar, it is important to respect the native Sami culture and reindeer husbandry. To provide information and ensure a good symbiosis in the mountains during both the winter and summer season, SkiStar developed guidelines and etiquette rules to ensure that their culture and reindeer husbandry are respected at our destinations. The guidelines clarify how our guests should behave towards the animals and where you can go in the moun-

2030



Goal	• SkiStar will contribute to sustainable development along with our stakeholders throughout our value chain
Performance measures	<ul style="list-style-type: none"> • Increased number of overnight stays • 100 percent of all suppliers approve SkiStar's Code of Conduct • 0 workplace accidents • Aim for 40/60% equal distribution with regard to equality, diversity and inclusion in the company's professional groups • At least 40 percent female managers in senior executive roles

**"SKISTAR MAKES IT POSSIBLE FOR US TO TAKE STUDENTS UP INTO THE MOUNTAINS"**

SkiStar wants to enable more children and young people to be active out in nature. This is why we offer a free SkiPass to children and young people up to the age of 15 who live in the municipalities where we are located. We also want to encourage schools to use our ski systems and climbing parks for leisure days outdoors, for example, and we are keen to make it easier for them to do so.

"The school staff can't demand that our students have access to ski equipment, and our budget doesn't make it possible to cover the cost of renting equipment for the students who don't have their own. As SkiStar waives the ski rental fees, we can arrange leisure days and free periods for the students on the slopes. This creates equality among our students so all the children have an equal chance to experience the mountains and their nature."

Kim Sommarin, Headteacher at Åreskolan



tains so as not to disturb them. The guidelines are available on skistar.com and guests are informed about them via newsletters and social media, for example.

SUPPLIERS

SkiStar depends on good collaborations with our suppliers. To guarantee correct procurements, SkiStar works in accordance with established directives and takes multiple perspectives into account, including sustainability aspects. The company's expectations are described in our Code of Conduct for suppliers and partners, which is included as an appendix in the majority of all agreements entered with SkiStar.

The code was updated during the year to clarify SkiStar's expectations and requirements regarding respect for human rights, working and employment conditions, the environment, discrimination and business ethics. The right to review suppliers was also added. SkiStar's goal is for all suppliers to sign the Code of Conduct. In 2020/21, suppliers who account for 70 percent of SkiStar's total debited amounts approved the Code of Conduct for suppliers and partners. If any breaches of the Code of Conduct occur, SkiStar takes appropriate action.

Risks along the supply chain

To enhance transparency and control at the supplier level, SkiStar launched a risk assessment of the company's supplier base during the year. The main suppliers will be assessed based on five risk perspectives to identify possible risks linked to products, areas and industries, for example. The result will provide a risk classification that supports work relating to suppliers going forward.

The risk of human rights violations is principally deemed to be at the supplier level. SkiStar's Code of Conduct for suppliers and partners contains expectations of suppliers in terms of forced labour and unhealthy working conditions. Violations of human rights are reported and dealt with in line with current legislation.

ANTI-CORRUPTION

SkiStar has a zero tolerance policy for bribery and corruption in our operations and in our business relationships. There is a potential risk of corruption at the company and in its business relationships, but this is deemed to be small. Corruption issues are managed within the framework of SkiStar's risk management, with policy documents reinforcing efforts to prevent and identify instances of corruption. There are also clear guidelines and procedures clarifying what is expected of our employees when purchasing and procuring. If corruption is suspected or uncovered, there are guidelines governing how such cases should be handled.

WHISTLEBLOWER FUNCTION

SkiStar has an anonymous whistleblower function for cases of suspected corruption, breaches of our policies or other irregularities. The function is available to all employees and cases are reported anonymously. During the 2020/21 financial year, one case of suspected violation of SkiStar's Code of Conduct was reported and investigated, concerning a potential conflict of interest. No violation of the code was able to be established. No investigation was on-going at the end of the year.

CONSULTATION MEETINGS DURING THE PANDEMIC

Our shared responsibility became even clearer during the pandemic. To bolster our collective force, SkiStar, together with the resort companies at our destinations, took the initiative to bring together health-care representatives, the police, the municipality, restaurant owners and restaurateurs for joint consultation meetings to develop common guidelines. Together with our ski industry organisations SLAO and ALF, we also had dialogue meetings with national organisations such as the public health authorities in Sweden and Norway.



SPECIAL COLLABORATIONS

Stefans Stuga, Lindvallen

Next to Snötorget in Lindvallen is Stefans Stuga, a specially designed set of accommodation close to the lifts where families affected by cancer can relax and spend precious time together.

Every week during the year, two families are offered a free week in Stefans Stuga. The cottage is a result of the commitment of many people and companies, all with a common desire to create a place for positive experiences and good memories. In winter, the stay includes a SkiPass, ski equipment, gym and playground. During the summer months, swimming, bowling and the gym are included.

Panta Mera (Swedish can and PET bottle recycling campaign)

Every year, we collect and donate the money that guests at our Swedish destinations have raised by recycling their PET bottles. During the 2020/21 winter season, over 450,000 PET bottles were recycled, generating over SEK 420,000. This year's collection goes towards saving the Scandinavian arctic fox together with WWF Sweden. The arctic fox is threatened with extinction as a result of climate change and litter left by mountain visitors. WWF Sweden strengthens the pack by feeding them all year round.

450,000

RECYCLED PET
BOTTLES GENERATED
OVER SEK 420,000
FOR WWF



> FOUNDATION: EMPLOYEES & CULTURE

Employees & Culture

SkiStar's employees are the key to the company's success and our biggest asset. Their commitment and hospitality is a prerequisite for ensuring our guests have memorable mountain experiences. Our "Employees & Culture" foundation enables us to strengthen strategic initiatives together with our employees, managers and organisation.

It is nothing new to us that employees and culture are one of the foundations of SkiStar's business and success. Our foundation means we make the obvious role that our employees and our culture play for the business visible. To continue having committed, motivated and satisfied employees, we will clarify the priorities we work on over the long term so that they can remain this way.

We conducted employee surveys during the year to gather important insights and ensure we are heading in the right direction. The three areas in focus include: our culture and values, continuing to invest in strong leadership and developing the organisation. In the coming financial years, we will identify and implement our strategic activities and priorities moving forward.

A SPECIAL WORKPLACE

Guests are our focus at SkiStar, and their experience and satisfaction at our destinations are largely due to the employees who make their holidays memorable. Our culture is characterised by a high level of dedication and pride in what we do in the areas in which we operate. We offer not only a job, but a lifestyle. Committed, motivated and satisfied employees who are happy at work are a prerequisite for our ability to deliver memorable experiences for our guests, and to ensure they return year after year.

We offer the opportunity to combine a challenging job with varied tasks and an active lifestyle. Moving to the mountains and living at our destinations is a unique experience that creates a strong community among colleagues. We have a wide range of tasks to perform, and in a normal season we recruit for over 80 different positions.

People stay with us for a long time because it is a lifestyle they enjoy, they want to continue developing and like meeting people. Our goal is for two-thirds of our seasonal staff to return each year, as over 65 percent of our seasonal employees did in 2020/21. Many of our employees choose to work on new tasks or at new

destinations, and over 80 percent of our employees state that they enjoy their work.

Employer of young people

We are also proud to be a major employer of young people that offers them a start in the labour market. In the last ten years, more than 12,000 young people aged 18-24 have been given the opportunity to gain a foothold in the labour market at our destinations. It also entails a great responsibility for us as an employer. For many, a job with us means moving away from home and being thrown into a new world. To facilitate and help our employees, we are reviewing the opportunity to take greater responsibility for their well-being through health and climate-promoting activities.

Employer in sparsely populated areas

SkiStar is also a major employer in sparsely populated areas – and in some cases the largest employer in the area. We try to recruit and attract employees from local areas to enable more people in sparsely populated areas to work where they live and have the opportunity to stay. For employees who have been with us for a long time, we are keen to enlarge our range of professional development options to ensure opportunities for growth and motivation at work. We also collaborate with nearby schools, offering internships to provide work experience and showcase our workplace to potential employees in the future.

RECRUITMENT

SkiStar operates a seasonal business and has a great need for seasonal employees. Before each season, a major recruitment effort is undertaken to find new staff, with thousands of applications being received. This requires a positive and efficient recruitment process that ensures we have the right skills in place before each



FROM LIFT ATTENDANT TO SENIOR EXECUTIVE

Camilla Sundqvist has travelled a long way at SkiStar. In 2003, she started as a lift host in Hundfjället, before going on to become HR Director and part of SkiStar's Group management.



DESCRIBE YOUR JOURNEY AT SKISTAR.

"I started as a seasonal employee in the lift department, and for several years combined the winter season at SkiStar with summer seasons abroad. During those years, I had the opportunity to combine many different services, see a broad range of SkiStar activities and try out different types of roles. That's how I discovered my interest in human resources and gained the confidence to develop our work in the HR area at one of our destinations. Our HR function developed from there, and now I handle HR issues for the entire company. In between, though, I've jumped between several different types of managerial roles when a need has arisen, from hotels and restaurants to ski rentals and sports outlets. This has given me broad knowledge of the company and different types of services, which makes me stronger in my current role."

WHAT HAS MADE YOUR JOURNEY POSSIBLE?

"SkiStar has a culture of entrepreneurship that has always attracted me. I have raised my ideas and had the opportunity to implement them. The company has always supported me in my goals and made it possible to grow both on a personal and professional level, by placing more trust in me and letting me combine working and studies, for example."

WHAT'S IT LIKE TO WORK AT SKISTAR?

"We have a very strong community here – you get the chance to make things happen, find yourself and build your identity. You are always part of a team with us, and if you have ideas and are willing to realise them then you can be involved in developing the company. I have good memories and friends for life, and above all I've had a lot of enjoyment – throughout all my years I have never had a boring day at work."

Camilla Sundqvist, HR Director at SkiStar



season, as well as for future needs. Much of our recruitment takes place through a web-based recruitment tool that also takes our values into account so we can attract the best possible recruits. We also collaborate with companies in the tourism industry that have similar seasonal activities during the summer to recruit and supply staff.

COLLECTIVE BARGAINING AGREEMENTS

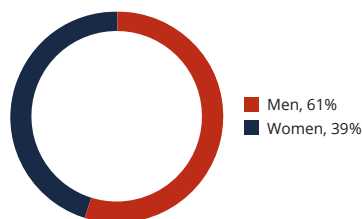
All of SkiStar's destinations are covered by collective agreements that regulate minimum wages and employee rights. All SkiStar employees, except for the President and CEO, are covered by collective agreements.

TRAINING AND EDUCATION

SkiStar attaches great importance to the training of new and returning employees and offers all employees development and training opportunities. Every year we receive a large volume of seasonal employees, and we have a systematic induction and training programme to prepare them for performing their tasks and thriving with us.

Our goal is for all employees to be trained in relevant areas of sustainability. Every year, all employees undergo a web-based training course that includes the work environment, sustainability and GDPR, among other topics. We are also working to broaden our training offering to increase opportunities for professional development within the company. Our employees underwent an average of 10 training hours during the year.

GENDER DISTRIBUTION¹⁾



1) Refers to average man-years at the end of the financial year.

SkiStar Academy

Strong leadership and managers are a core issue for SkiStar and a prerequisite for providing a good guest experience. We want talented and committed managers with a personal leadership style who want to learn new things and develop. We have offered leadership training in recent years to give our managers the right conditions to succeed and feel content. During the year we further developed the training course under the name SkiStar Academy to cover a wider scope. At SkiStar Academy, we want to educate and inspire across a wide range of subjects, from rhetoric and digitalisation to employeeship. The programme covers all managers and leadership roles, be they full-time or seasonal employees.

CODE OF CONDUCT

SkiStar's Code of Conduct describes the guidelines and values that form the basis for how our employees should behave towards one another and the people they meet. The Code incorporates the UN Global Compact's ten principles regarding human rights, working conditions, the environment and anti-corruption, as well as the ILO's eight fundamental conventions concerning minimum standards for working conditions. The Code is revised annually. The Code is available to all employees via SkiStar's intranet.

SkiStar takes violations of the Code of Conduct seriously, and they are reported to the police if there is a crime. A whistleblower function is available internally to enable anonymous reporting of violations.

DIVERSITY AND INCLUSION

SkiStar's corporate culture is permeated by values and attitudes that welcome diversity within the company. We try to create an inclusive work environment where all employees feel a sense of belonging and community. All employees have the same rights and the right to equal treatment regardless of gender, sexual orientation, ethnicity, beliefs, functional variation or age. We have a zero-tolerance policy regarding any form of discrimination and take strong action in response to incidents and conduct that contravene SkiStar's policies and directives. We value and welcome our differences and aim to increase the diversity of the management team. The gender distribution at the company during the financial year was 39 percent female and 61 percent male, with Group management composed of 29 percent women and 71 percent men. Operational efforts to pursue gender equality

issues are the responsibility of each department and area manager. These efforts are regulated by our diversity policy and Code of Conduct, which are revised annually.

HEALTH AND SAFETY

It is self-evident that SkiStar's workplaces must be safe, secure and accident-free. We have a systematic work environment initiative that is pursued at each destination by a work environment team that conducts safety inspections and risk assessments. In the event of serious incidents, there is a crisis management organisation with procedures and crisis groups at each destination, which then shift into crisis mode. SkiStar conducts annual crisis management exercises at our destinations to maintain and strengthen our crisis management capability.

During the financial year, a total of 111 (105) accidents/near-misses were reported among SkiStar's employees. None of these near-accidents was classified as serious. The distribution of accidents/incidents by destination is not reported as the maturity per destination varies. Efforts are being made to enhance reporting of the number of accidents and near-misses.

WORKING ENVIRONMENT

SkiStar should be a workplace with good working conditions and a healthy balance between work and free time. We conduct annual employee surveys to ensure a positive and healthy work environment and identify opportunities for improvement. Each employee undergoes at least one performance review per year to ensure a good work situation. Health checks are conducted regularly to prevent risks at work and ensure that our employees are well.

Covid-19

The pandemic has had a major impact on our work environment and has led to extensive efforts to implement both the Swedish Work Environment Authority's rules and the authorities' recommendations at all destinations. We have continuously produced and communicated new internal guidelines and restrictions at the destinations and carried out continuous risk assessments of the current situation. We have supported healthcare in their contact tracing efforts by helping them make contact with our guests and employees. Prior to the season, new quarantine accommodation was prepared for staff and new sick leave rules that meant staff with symptoms were moved to quarantine accommodation.



> FOUNDATION: SAFE & SECURE

Safe & Secure

Safe and Secure is SkiStar's promise to our guests. We want our guests to feel secure and to guarantee memorable mountain experiences all year round that offer quality, activity, experiences and safety throughout the customer journey. If any issue arises, we will take care of our guests.

SAFE DESTINATIONS

Offering safe and secure experiences for our guests has been an important aspect of our business over the years. This is why SkiStar developed Safe and Secure, our customer promise that applies from the time of booking through to their stay in our accommodation and ski system. The pandemic has involved major changes to adapt our destinations to current restrictions. Our focus during the financial year has been on implementing changes to deliver a safe and secure stay at our destinations.

THE IMPACT OF THE PANDEMIC

Safe and Secure has long been SkiStar's focus, but it has taken on a new meaning since the outbreak of the pandemic. In order to provide a safe stay at our destinations. To adapt the business to prevailing guidelines and restrictions, many new procedures and internal guidelines have been introduced. This has involved major changes for guests, employees and SkiStar in general.

BOOK WITH CONFIDENCE**Protection for cancellation and booking changes**

"Book with Confidence" was introduced ahead of the 2020/21 winter season – a new and improved protection for cancellation and booking changes that allows the accommodation to be cancelled up to 21 days before arrival. The SkiPass, ski school and ski rentals can always be cancelled or rebooked up until the day before arrival. This new insurance received a strong reception, with 80 percent of all guests during the year using the additional protection.

Snow guarantee

SkiStar wants our guests to be able to go alpine skiing on their skiing holiday. However, all of the ski resorts have unique geographical locations and varying conditions. Thanks to our snow guarantee, guests at our Scandinavian destinations have the opportunity to rebook their trip or get their money back if SkiStar does not deliver the ski product promised for a certain period of time. If we cannot fulfil the snow guarantee at the selected ski resort, the guest can choose to rebook the trip at another of our Scandinavian destinations.

LIFT & PISTE**Safe slopes**

Having the right judgment, knowledge and equipment minimises the risk of accidents and injuries during a holiday. At our destinations in Norway and Sweden, we collaborate with the ski industry organisations SLAO and ALF to secure our slopes, both in summer and winter. Together with SLAO and ALF, we have developed rules of conduct that all guests are obliged to follow at our destinations. These are available to download from our website. They describe our rules of conduct on the slopes during summer and winter, as well as penalties if the rules are broken.

Safe behaviour is particularly important for the youngest skiers. This is why we have produced Valle's skiing rules, which teach young skiers about the importance of good supervision, skiing together on the slopes and where it is safe to stop. The rules are an important part of our ski school for children and are available to all guests on our website.

80%
**OF GUESTS USED
BOOK SAFELY**





The share

2020/21

- Revenue: **SEK 2,751** million
- Operating margin: **10** percent
- Profit after tax: **SEK 234** million
- Cash flow: **SEK 699** million from operating activities
- Share price trend: **+75** percent over the past year
- The equity/assets ratio excluding IFRS 16 was **51** percent

Five reasons to invest in SkiStar

- SkiStar is the leading holiday organiser for Scandinavia with an offering and efficient organisation that has provided continuous growth and stable profitability.
- The trend of active leisure time and holidays at home means that SkiStar will further consolidate its position in the future.
- Sales have purposely focused on skistar.com, where guests' engagement has been monitored, thus giving SkiStar a direct relationship with the guest which is a competitive advantage.
- The company owns substantial assets in the form of land and properties at the destinations where SkiStar operates. Property development and exploitation operations generate capital gains, but also strategic projects that increase the number of beds, and thus potentially also guest numbers, for core operations. As of summer 2021, SkiStar is also operating six prestigious lodges and hotels at the destinations, which is leading to a strengthening of our offer.

SHAREHOLDER BENEFITS

Shareholders who own a minimum of 200 SkiStar shares receive a discount at all SkiStar destinations. The discount amounts to 15 percent on the SkiPass/Liftpass, ski school and ski rentals/bike rentals managed by SkiStar. It also applies to SkiStar Åre and SkiStar Sälen's climbing parks as well as online purchases at skistarshop.com. The shareholder discount does not apply to accommodation. Find out more about booking with the shareholder discount and the complete terms and conditions at skistar.com or contact Shareholder Services at aktieagarservice@skistar.com.



The SkiStar share

SkiStar's B share is listed on the Mid Cap list of the Nasdaq Stockholm exchange. SkiStar had 51,843 shareholders at 31 August 2021 and the share's closing price was SEK 182.

SHARE STRUCTURE

The company's share capital on the last day of the financial year amounted to SEK 19,594,014 divided into 78,376,056 shares. Of these shares, 3,648,000 are Class A shares entitling the owner to ten votes per share, and 74,728,056 are Class B shares entitling the owner to one vote per share. All shares have equal rights to dividends.

SHARE PRICE PERFORMANCE AND TRADING

During the 2020/21 financial year, the share price increased by 75 percent to SEK 182. Nasdaq Stockholm's all-share index (OMXSPI) gained 42 percent over the same period. The highest price paid was SEK 184.90 on 23 August 2021, and the lowest was SEK 91, noted on 19 November 2020.

SHAREHOLDERS

According to the shareholder register maintained by Euroclear Sweden AB, there were 51,843 shareholders (46,735) on 31 August 2021. At the end of the financial year, the ten largest shareholders accounted for 68 percent (64) of the capital and 77 percent (75) of the votes. Foreign shareholders accounted for 14 percent (14) and Swedish institutional owners for 15 percent (14) of the capital.

DIVIDEND POLICY

SkiStar's dividend policy is to pay an annual dividend of at least 50 percent of profit after tax. The policy is based on SkiStar's solid financial base combined with a strong cash flow, allowing a generous dividend policy, while ensuring that most investments can be financed by the company's own funds.

The Board proposes that the AGM adopt a dividend of SEK 1.50 (0) per share, totalling SEK 118 (0) million. The proposed dividend comprises 50 percent of the Group's profit after tax, in line with the dividend policy.

LARGEST SHAREHOLDERS, 31 AUGUST 2021

Owner	Class A shares	Class B shares	Capital, %	Votes, %
Mats and Fredrik Paulsson incl. company and family	3,648,000	15,284,978	24.16	46.55
Erik Paulsson family incl. company	—	18,287,420	23.33	16.44
Handelsbanken fonder	—	3,951,893	5.04	3.55
Nordea Investment Funds	—	2,307,411	2.94	2.07
Swedbank Robur fonder	—	2,197,665	2.80	1.98
BNY Mellon SA/NV (formerly BNY), W8IMY	—	2,007,752	2.56	1.81
Lima Jordägande Sockenmän for Besparingskogen	—	1,800,000	2.30	1.62
State Street Bank and Trust Co, W9	—	1,277,824	1.63	1.15
SIX SIS AG, W8IMY	—	1,197,212	1.53	1.08
Länsförsäkringar fondförvaltning AB	—	1,158,983	1.48	1.04
Other shareholders	—	25,256,918	32.23	22.71
Total shares outstanding	3,648,000	74,728,056	100.00	100.00

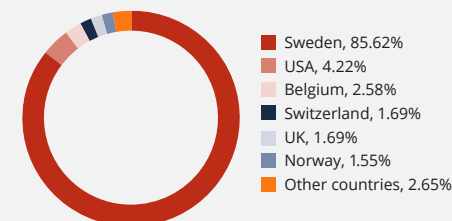
OWNERSHIP STRUCTURE, 31 AUGUST 2021

Holdings	Number of owners	%	Number of Class A shares	Number of Class B shares	Capital, %	Votes, %
1-200	36,304	70.03		2,402,871	3.07	2.16
201-1000	13,172	25.41		5,782,281	7.38	5.20
1001-5000	1,985	3.83		4,212,246	5.37	3.79
5001-100000	328	0.63		5,719,402	7.30	5.14
1000001-	54	0.10	3,648,000	56,611,256	76.88	83.71
Total	51,843	100	3,648,000	74,728,056	100.00	100.00

SHARE INFORMATION

Marketplace: Nasdaq Stockholm, Mid Cap
Ticker symbol: SKIS B
ISIN code: SE0012141687

LARGEST SHAREHOLDER COUNTRIES, 31 AUGUST 2021, SHARE OF EQUITY



OWNERSHIP CATEGORIES, 31 AUGUST 2021

Category	Number of shares	Proportion, %
Swedish individuals	17,681,129	22.56
Swedish legal entities	37,457,151	47.79
Swedish institutional ownership	11,970,455	15.27
Foreign individuals	491,687	0.63
Foreign legal entities and foreign institutional ownership	10,775,634	13.75
Total	78,376,056	100.00



Risk

Like all companies and business operations, SkiStar is exposed to various risks related to the business. For SkiStar, it is important to identify the risks that may prevent the company from achieving defined targets and to determine whether the risks are in line with risk propensity.



Risks and opportunities

Where necessary, measures are taken to avoid, minimise or monitor identified risks. The purpose of risk management is to continuously assess and manage the risks that arise in the operations and to ensure that it forms the basis for successful sustainability work. SkiStar's risk process, ownership, governance and management are discussed and evaluated in the company's Audit Committee and Board of Directors.

OPERATIONAL RISKS

Seasonality

The majority of SkiStar's revenues are generated in the period December to April. SkiStar's operations are well adapted to seasonal variations, particularly in terms of the workforce. Most of the winter bookings are made before the season. An increased proportion of advance sales means that business transactions can be completed at an earlier point, which in turn reduces the operational risk. Seasonal variations are also managed by investing in snowmaking systems to guarantee skiing early in the season.

Snow availability

The number of guests at SkiStar's destinations is influenced by weather and snow conditions. A late winter with a lack of cold weather and natural snow in time for Christmas has an adverse impact on demand. Lower demand can also arise in winters with prolonged cold periods and good snow conditions in the southern, more densely populated parts of Scandinavia, as snow, cold weather and skiing opportunities are available closer to home. However, in a longer perspective, it is positive for the industry if skiing is available throughout Scandinavia, as many new skiers will be recruited. SkiStar addresses these risks through continuous development of snowmaking systems to guarantee skiing, and



through early sales to ensure that most of the accommodation capacity is booked before the Christmas week when the high season starts. SkiStar's operations are also dependent on there being no restrictions on travel within or between mainly the Scandinavian countries. Risk is managed through proactive dialogues with authorities, regional governments and local municipalities as well as continuing to work for financial stability.

Economic cycle

Changes in people's disposable income are reflected in private consumption, which in turn has a bearing on whether they can travel. SkiStar's historical sales and earnings trend shows that the company has been able to deal with fluctuations in the economy. A large proportion of SkiStar's guests are families who tend to return year after year.

Competition

Sun and beach holidays and weekend city breaks are considered SkiStar's main competitors, but competition also comes from other sectors that compete for people's disposable income, such as durable goods and home investments. Other competitors include other mountain resorts in Scandinavia and the Alps. The alpine ski industry has a high entry threshold, which limits competition. Initiatives such as large investments in service-oriented employees, leadership, modern lifts and snowmaking systems, IT and restaurants ensure that SkiStar's mountain destinations maintain a high level of quality. SkiStar's destinations have good accessibility to populated areas due to their geographical proximity and affordable transport solutions in the form of trains, aeroplanes and coaches. SkiStar's customers have easy access to the company's products and services via online marketing and sales systems that facilitate the booking process for them.

Other important competitive factors include a strong financial position, known and attractive brands and a strong cash flow.

Accommodation capacity and occupancy rate

SkiStar's profitability is dependent on the number of available beds and the occupancy rate. For SkiStar, it is important to have control over a large accommodation capacity to optimise the occupancy rate by monitoring changes in demand and pricing accommodation correctly at all stages of the season. SkiStar works actively to increase the number of beds at the destinations and to increase the proportion mediated by the company itself. It is also important for older cabins and apartments to be modernised to maintain high demand. In addition to SkiStar's own investments, new investments in cabins and apartments are mainly conducted by external parties or jointly owned companies.

Employees

Payroll expenses are the company's largest individual cost item. SkiStar's continuing success is dependent on motivated and committed employees. SkiStar works on leadership issues and training to increase the efficiency, awareness and commitment of its employees. The level of service that guests receive from our staff plays an important role in their overall experience. To retain key personnel, SkiStar offers leadership development, succession planning, training and incentive programmes.

Safety and security

SkiStar works actively on safety by means of trade organisations and unions, regular training, incident reporting and a systematic health and safety programme. Continuous risk analyses are conducted at all destinations to minimise the various types of risks and have the correct insurance cover in place. SkiStar also has an extensive crisis plan to ensure that the company is well prepared in the event of any accidents or incidents. Information security is an area requiring more and more resources, due to a negative trend globally involving various types of attacks and intrusions. SkiStar follows established processes for the development and introduction of new infrastructure and systems. The risk of intrusion and loss of information can be reduced by focusing on information security, cooperation with suppliers and back-up procedures.

SUSTAINABILITY RISKS

Sustainability is included as an evaluation factor in SkiStar's business development and decisions. Management of sustainability risks is an integral part of the Group's operations. All identified sustainability risks are managed in the company's risk management process and play a fundamental part in investments and decisions. A description of SkiStar's work on sustainability and tackling of risks can be found in the sustainability report on pages 35–46 and 100–113.

Dependence on climate and weather

SkiStar's operations are dependent upon cold winters with sub-zero temperatures. Climate change in the form of warmer temperatures and changing weather conditions and precipitation can affect the business and increase the risks of a shorter season, also affecting the number of skier days. To address the risks associated with climate change, the company works on long-term objectives aimed at minimising the company's impact on nature and the climate. This is done partly through technical solutions to ensure favourable conditions at SkiStar's destinations, and partly by working towards defined climate and emission targets to reduce emissions and deterioration of the natural environment where SkiStar operates.

Corruption

Corruption is difficult to detect and SkiStar's focus is therefore on minimising the risks of corruption. During training and induction programmes, SkiStar's employees gain knowledge about how the company's policies and other governing documents are structured and how employees are expected to act in the event of suspected corruption. A whistleblower service is available internally to enable anonymous reporting of violations.



Financial and sustainability information





Administration report

The Board of Directors and CEO of SkiStar AB (publ), corporate identity number 556093-6949, hereby present the annual report and consolidated accounts for the financial year 1 September 2020 – 31 August 2021.

BUSINESS NAME AND REGISTERED OFFICE

The Company's business name is SkiStar AB (publ). The Company's registered office is in the Municipality of Malung-Sälen in the County of Dalarna. The head office is in Sälen (postal address 780 67 Sälen, Sweden).

NATURE OF THE BUSINESS

SkiStar operates in Sälen, Vemdalen, Åre and Hammarbybacken (Stockholm) in Sweden, Trysil and Hemsedal in Norway and St. Johann in Tirol in Austria. The core business is alpine skiing, with a focus on guests' overall mountain experience. Operations are divided as of 1 July 2021 into three segments: Operation of Mountain Resorts, Property Development & Exploitation and Operation of Hotels. Our vision is to create memorable mountain experiences.

OWNERSHIP

SkiStar's B share has been listed on the Mid Cap list of the Nasdaq Stockholm exchange since 1994. According to the shareholder register maintained by Euroclear Sweden AB, the number of shareholders was 51,843 (46,735) on 31 August 2021. Major shareholders are Mats and Fredrik Paulsson, including company and family, with around 24 percent of the capital and around 47 percent of the votes, and Erik Paulsson's family, including company, with around 23 percent of the capital and around 16 percent of the votes.

THE SHARE

The total number of shares is 78,376,056, distributed as follows: 3,648,000 Class A shares (ten votes per share) and 74,728,056 Class B shares (one vote per share). The highest price paid was SEK 184.90 on 23 August 2021, and the lowest was SEK 91, noted on 19 November 2020. The share price at the close of trading on the reporting date was SEK 182. The Annual General Meeting on 12 December 2020 authorised the Board of Directors to make decisions on the purchase and transfer of the Company's own shares. The authorisation is valid until the next AGM. The Board had not repurchased any shares as of the date of preparation of this annual report.

MARKET DEVELOPMENT

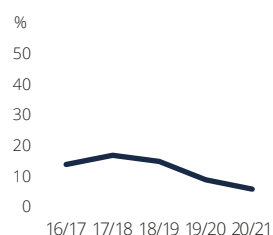
According to SLAO SkiPass sales in Sweden increased by 21 percent in the 2020/21 winter season compared with the previous season. SkiPass sales in Norway declined by 14 percent according to ALF. SkiStar's market share was 51 (53) percent in Sweden, 17 (29) percent in Norway and 39 (43) percent for Scandinavia.

OPERATIONS

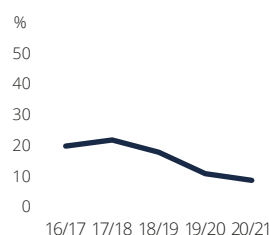
All Swedish and Norwegian destinations remained open throughout the winter season, bringing more new guests to visit the resorts. Overall, however, the absence of foreign guests as a result of travel restrictions attributable to the Covid-19 pandemic negatively affected the Group's revenues and earnings – particularly in Norway. The Group's operating profit for the full year was SEK 296 (394) million, a decline of 25 percent or SEK 98 million. Translation from the Norwegian krone and euro had a negative effect of SEK 4 million on operating profit. Net financial items declined by SEK 5 million, mainly because of changes in the value of interest rate derivatives. Profit after tax was SEK 234 (287) million, a decline of SEK 53 million, or 19 percent. Earnings per share fell to SEK 3.04 (3.71).

SkiStar undertook a transaction together with Peab during the financial year, through which the two companies have entered an agreement whereby they intend to manage and develop jointly-

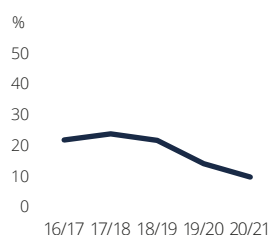
RETURN ON CAPITAL EMPLOYED



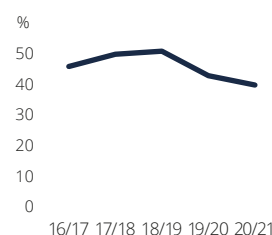
RETURN ON EQUITY



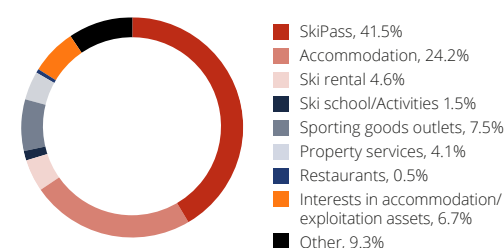
OPERATING MARGIN



EQUITY/ASSETS RATIO



DISTRIBUTION OF REVENUE





owned companies and properties in the Scandinavian mountains under a joint venture structure. Skiab Invest AB, the existing joint venture company that is indirectly half-owned by the parties, constitutes the parent company in the joint venture structure. The transaction gave a positive boost to the SkiStar Group's operating profit to the value of SEK 198 million, whereby SkiStar transferred its hotel properties, development rights, indirectly owned (50%) companies – all through conveyances – to Skiab Invest AB. See note 37 for more information.

During the financial year, the decision was taken to sell SkiStar's 68-percent share in St. Johanner Bergbahnen GmbH. As part of this transaction, SkiStar will receive a EUR 15 million repayment of shareholder loans totalling EUR 19.5 million paid to St. Johann and a cash purchase consideration of EUR 2. The transaction is subject to approval by the Austrian authorities, among other things. Not all conditions had been met by the end of the financial year and the transaction is not yet complete. Assets (value SEK 308 million) and liabilities (value SEK 151 million) included in the transaction are therefore reported as assets and liabilities held for sale. However, the transaction led to an impairment of SEK 150 million that had a negative effect on the Group's operating profit. See also Note 38.

Operation of Mountain Resorts

Revenue from Operation of Mountain Resorts amounted to SEK 2,608 (2,643) million, a decline of 1 percent compared with the previous year. Translation from the Norwegian krone and euro had a negative effect of SEK 17 million on revenue. SkiPass sales fell by 7 percent and accounted for 42 percent of revenue. The corresponding figure for the previous year was 44 percent. The number of skier

days (one day's skiing with a SkiPass) fell by 0.7 million to 4.4 million (5.1). Sold accommodation, expressed as the number of overnight stays, fell by 10 percent compared with the previous year. The occupancy rate for own and agency-booked accommodation was 65 (68) percent.

Revenue from sporting goods outlet sales amounted to SEK 207 million, an increase of approximately 16 percent, mainly related to online sales. Personnel costs decreased by SEK 1 million compared with the previous year. Other external expenses increased by SEK 143 million. Operating profit from investments in joint ventures and associates showed a decline of SEK 5 million to SEK 84 million. The operating profit is negatively affected by the write-down of SkiStar's holdings in St. Johanner Bergbahnen GmbH of SEK 150 million for the full year.

Property Development & Exploitation

Revenue from Property Development & Exploitation amounted to SEK 237 (219), million with a profit of SEK 32 (56) million. Profit from exploitation activities related to plot and land sales and the sale of shares in tenant-owner associations and Vacation Club amounted to SEK 68 (118) million during the financial year.

Operation of Hotels

With effect from 1 July 2021, SkiStar will carry out operations measured in a third segment: Operation of Hotels. Comparative figures have been removed and recalculated for comparison as SkiStar conducted hotel operations to a lesser extent before 1 July 2021. Revenue from Operation of Hotels amounted to SEK 38 (29) million in the period 1 July to 31 August, with a loss of SEK -28 (-5) million.

CASH FLOW

Cash flow from operating activities after changes in working capital was SEK 699 (735) million for the full year. Cash flow from investing activities was SEK -630 (-653) million, while cash flow from financing activities was SEK -74 (-94) million.

LIQUIDITY AND FINANCING

The Group's cash and cash equivalents at the end of the period amounted to SEK 27 (60) million, of which SEK 27 million was reclassified as assets held for sale. Unused overdraft facilities plus cash and cash equivalents were SEK 702 million at the reporting date, compared with SEK 592 million at the end of the previous year. Interest-bearing liabilities amounted to SEK 3,191 (2,675) million, an increase of SEK 516 million compared to the previous year. The average interest rate during the year was 2.21 (2.07) percent. Net financial debt was SEK 3,114 (2,514) million at the end of August, an increase of SEK 600 million. The equity/assets ratio fell to 40 (43) percent.

INVESTMENTS, DISPOSALS AND OTHER ACQUISITIONS

Investments during the financial year amounted to SEK 628 (653) million. Depreciation and amortisation in the same period amounted to SEK 536 (373) million, SEK 150 million of which was impairment of the subsidiary St. Johanner Bergbahnen GmbH. The largest single investments were for SkiStar Lodge in Hundfjället and the gradual acquisition of Ski Invest Sälen AB. Disposal of subsidiaries and associates resulted in a reported net earnings effect of SEK 198 million.

PROFIT/LOSS BEFORE TAX, BY PERIOD

	2020/2021	2019/2020
September–November	-306,965	-321,524
December–February	445,970	809,244
March–May	112,154	-2,592
June–August	-4,986	-135,070

SENSITIVITY ANALYSIS

	Change	Impact on earnings
Bookings	+/-10%	+/- SEK 132 million
SkiPass prices	+/-10%	+/- SEK 142 million
Interest	+/-1%	+/- SEK 11 million
Payroll expenses	+/-10%	+/- SEK 70 million
Market price of electricity	+/-10%	+/- SEK 3 million
Currency NOK/SEK	+/-10%	+/- SEK 18 million

APPROPRIATION OF PROFITS

Proposed appropriation of the Company's profits. The Board of Directors proposes that the available funds of SEK 816,166,515 be distributed as follows:

Dividend, 78,376,056 shares x SEK 1.50	117,564,084
Carried forward	698,602,431
TOTAL	816,166,515

**RISKS**

An account of the company's risks is presented on pages 49–50. See Note 32 for more information.

ONGOING DISPUTES

SkiStar does not have any ongoing disputes that could have a material impact on the Company's financial position.

SENSITIVITY ANALYSIS

The sensitivity analysis in the table on the previous page describes how the Group's annual earnings are affected by changes in some of the Group's key variables. The assumptions regarding the earnings impact of changes in the occupancy rate are based on all mediated objects and relate only to the impact on SkiPass sales. Changes in other revenue categories in the sensitivity analysis are considered neutralised by increased and reduced expenses. In calculating the sensitivity of a change in the price of electricity, only the portion of electricity consumption that is directly affected by changes in the market price is considered. SkiStar uses a portfolio management system for the procurement of electricity tariffs, in accordance with an adopted hedging strategy. In calculating the sensitivity of a change in interest rates, loans that are affected by the changed rate are considered.

EMPLOYEES

The average number of employees for the financial year was 1,196 (1,166), an increase of 30. Each destination has a structured organisation for addressing work environment and gender issues. These groups are coordinated centrally and have common governing documents such as policies, directives and procedures (see also Corporate Governance Report, page 119).

Professional development expenses amounted to SEK 5 (5) million during the financial year and were mainly associated with internal training. Staff turnover (permanent employees) during the year was as follows: 182 (58) individuals joined the Company and 57 (45) left the Company.

The Board's proposed guidelines on the remuneration of senior executives, to be presented for adoption by the AGM in December 2021, are presented in their entirety in the administration report and contain certain changes in relation to previous guidelines, which are also outlined in their entirety in Note 8.

PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The Board of SkiStar AB (publ) recommends that the Annual General Meeting adopt the following guidelines for remuneration of senior executives. The guidelines apply until new guidelines are adopted by the general meeting and are valid for a maximum of four years.

Scope

The guidelines below include the Board of Directors (as applicable), the CEO and other members of Group management, hereinafter referred to as senior executives. The guidelines are applicable to remuneration under new agreements, and amendments to remuneration already agreed, after adoption of the new guidelines by the AGM. The guidelines do not apply to remuneration decided on by the general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

SkiStar is to create memorable mountain experiences. As a listed company, SkiStar aims to create value for the Company's shareholders and promote long-term sustainability in all operations.

For further information about SkiStar's strategy, long-term interests, including financial and operational targets, and sustainability work, see www.skistar.com/en/corporate.

Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including sustainability, are contingent on the Company having qualified employees. SkiStar must therefore be able to offer competitive remuneration. The Company's remuneration structure in accordance with these guidelines shall

- contribute to a consensus between senior executives and shareholders in terms of the long-term perspective of the operations, including promotion of the Company's business strategy, long-term interests and sustainability;

- ensure that senior executives receive remuneration that is on market conditions and competitive, enabling the Company to recruit, motivate and retain competent employees;
- require senior executives' compliance with the Company's code of conduct, policies and directives; and
- offer a salary based on the Company's financial targets and senior executives' individual responsibility, competence, performance, duties, experience and position.

Variable remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including sustainability.

Remuneration and forms of remuneration

The total compensation for senior executives shall be reviewed regularly, and at least annually, to ensure that it is market-based. To create well-balanced total compensation that strengthens both short and long-term performance management and target achievement, remuneration may include the following components: fixed cash salary, variable remuneration/bonuses including undertaking to acquire shares, pension benefits and other benefits.

Fixed cash salary

Senior executives shall be offered a fixed cash salary that is individualised and market-based in relation to responsibility, competence, performance and regional salary levels. The fixed salary shall be determined annually, to apply during the period September to August.

Variable remuneration/bonus including undertaking to acquire shares

Senior executives may receive variable cash remuneration/bonuses, based on the current bonus programme for SkiStar's senior executives as decided by the Board for each financial year. Bonuses shall be related to measurable criteria defined by the Board with regard to the Company's performance on earnings per share, return on equity, operating margin and organic growth, measured for each financial year. If the Board considers that the



business strategy and the Company's long-term interests, including sustainability, would be better promoted if the criteria were supplemented or changed, these guidelines allow such changes to be made.

Bonuses to senior executives may amount to a maximum of 60 percent of 12x the current monthly salary.

The level of fulfilment of the criteria for awarding variable cash remuneration shall be determined at the end of the measurement period. The Remuneration Committee is responsible for the CEO's variable cash remuneration assessment. The CEO is responsible for other senior executives' variable cash remuneration assessment. Assessment of financial targets shall be based on the most recent financial report published by the Company. Variable remuneration is paid in October of the year after it was earned.

Under an agreement with the Company, senior executives who receive bonuses shall undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their post-tax bonuses. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a structured way. Through the criteria that determine the outcome as described above, incentives are created for senior executives to contribute to realisation of the Company's business strategy and safeguarding of the Company's long-term interests, including sustainability, and therefore to long-term value creation.

If a senior executive contravenes the above conditions by, for example, prematurely selling shares acquired under the conditions, the senior executive shall, in accordance with the agreement with the Company, be required to repay the full amount (including income tax but not social security contributions) paid for the shares acquired.

Pension benefits

Senior executives are entitled to pension arrangements under collective agreements and agreements with SkiStar. All pension obligations are defined-contribution plans. For the CEO, the Company pays pension contributions corresponding to 30 percent of the pensionable salary. For other senior executives, pension payments are made according to the customary ITP plan. Salary waivers can be used for increased pension provisions through one-time pension premium payments under salary and bonus sacrifice arrangements. The retirement age for senior executives who are Swedish citizens is 65. For others, it is as specified in their own country's pension rules.

Car benefits

Senior executives may be offered car benefits.

Other benefits

Senior executives may be entitled to other benefits in the form of health insurance, for example, as well as the benefits available to other SkiStar employees. The total value of such benefits may not exceed five percent of a senior executive's fixed cash salary. In addition, the CEO may be entitled to private travel between home and work (including air travel), tax return assistance and supplementary health insurance in addition to collectively agreed health insurance. The total value of such benefits may not exceed five percent of the CEO's fixed cash salary.

Other

Employment conditions for senior executives who are subject to rules other than Swedish rules on pension and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account the overall purpose of these guidelines as far as possible.

Period of notice and termination benefits

The maximum period of notice is initially 12 months for termination of employment initiated by SkiStar and six months for termination by the senior executive. Any termination benefits shall only be paid when termination of employment is initiated by the Company. Termination benefits shall only be paid up to the date on which the individual in question obtains other employment. Termination benefits are calculated on the fixed cash salary and are not pensionable. Fixed salary during the period of notice and any termination benefits shall not exceed in total an amount corresponding to the fixed salary for 24 months.

Decision-making process to determine, review and implement the guidelines

The Board's Remuneration Committee is responsible for annually reviewing the need to revise the guidelines prior to the Board's proposal to the AGM (if applicable) for adoption. The Board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM for resolution. The guidelines shall be valid until new guidelines are adopted by the general meeting.



The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals from the Remuneration Committee. The CEO makes decisions on the salary and other terms of employment for other senior executives and consults with the Remuneration Committee on this matter. The CEO and other senior executives are not present when the Board and the Remuneration Committee consider and make decisions on remuneration-related matters in so far as they are affected by these matters.

Derogation from the guidelines

The Board may, following a proposal from the Remuneration Committee, decide to make a temporary derogation from the guidelines, in whole or in part, if there are particular reasons to do so in an individual case and such derogation is necessary in order to serve the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparation of the Board's decisions in remuneration-related matters. This includes decisions to derogate from the guidelines. Such derogations must be reported and explained in the subsequent remuneration report.

Salary and terms of employment for other employees

In preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the Company's employees have been taken into account by including information

about the employees' total remuneration, the components of the remuneration and the remuneration increase and rate of increase over time in the Board's decision support material for evaluating the reasonableness of the guidelines and limitations set out herein. The remuneration report on paid and outstanding remuneration covered by the guidelines will include a report on the development of the gap between Company management's remuneration and other employees' remuneration.

Changes from previous guidelines

The Board's proposal for guidelines for remuneration of senior executives ahead of the 2021 AGM is consistent with the guidelines resolved at the 2020 AGM. During the review conducted before the 2021 AGM, changes were made to reduce the maximum bonus for the CEO as well as to some proposals for clarifications regarding periods of notice and termination benefits.

More information

On the date of submission of these proposed remuneration guidelines for senior executives, SkiStar did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2020 AGM. Further information about remuneration at SkiStar can be found in Note 8 on page 78.

PARENT COMPANY

The Parent Company's revenue amounted to SEK 2,241 (1,985) million, while profit before tax was SEK 146 (316) million. Investments amounted to SEK 206 (146) million. Most of the Swedish operations are conducted in the Parent Company.

CORPORATE GOVERNANCE

The section describing corporate governance is presented as a separate corporate governance report on page 119.

LOOKING AHEAD TO 2021/22

With very high demand for the winter season, we can say that total bookings ahead of the new winter season (measured as the number of overnight stays booked through SkiStar's accommodation agency) are much higher than at the same time last year. While domestic demand for an active holiday in the mountains is strong, we are also seeing increased demand from international guests. Other business areas, such as SkiStar Business (group and conference activities), are also experiencing increased demand for the coming winter. Future operational investments totalling SEK 160 million have been approved. The investments consist mainly of replacements, modernisation and snow production capacity. Some of the investments are also connected with SkiStar Sport & Adventures for summer 2022.



Five-year overview

		2020/21	2019/20	2018/19	2017/18	2016/17
Revenue and profit	Revenue, SEK million	2,751	2,794	2,676	2,536	2,306
	Operating income, SEK million	2,821	2,839	2,688	2,548	2,311
	Profit before depreciation/amortisation, SEK million	832	768	877	865	750
	Profit before tax, SEK million	246	350	553	587	478
	Profit after tax, SEK million	234	287	460	486	387
Cash flow	Cash flow before changes in working capital, SEK million	489	671	725	768	670
	Cash flow after changes in working capital, SEK million	699	735	722	679	629
	Cash flow after investing activities, SEK million	68	82	219	285	172
Profitability	Return on capital employed, %	6	9	15	17	14
	Return on equity, %	9	11	18	22	20
	Return on total assets, %	5	8	13	14	12
	Gross margin, %	19	27	33	34	33
	Operating margin, %	10	14	22	24	22
	Net margin, %	9	12	21	23	21
Investments	Gross investments, SEK million	632	656	546	533	481
	Net investments, SEK million	628	653	503	394	457
Financial position	Total assets, SEK million	6,874	6,023	5,066	4,871	4,508
	Equity, SEK million	2,774	2,561	2,602	2,421	2,090
	Equity/assets ratio, %	40	43	51	50	46
	Debt/equity ratio, times	1.2	1.0	0.7	0.7	0.9
	Interest coverage ratio, times	4.0	4.8	6.6	8.4	10.7
Liquidity	Current ratio, %	102	101	116	91	64
	Quick ratio, %	88	80	90	73	55
Personnel	Average no. of employees	1,196	1,166	1,322	1,283	1,240
	Revenue per employee, SEK thousand	2,300	2,025	2,024	1,976	1,860



Consolidated income statement and consolidated statement of comprehensive income

CONSOLIDATED INCOME STATEMENT, SEK THOUSAND		Note	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Revenue	Net sales	2	2,750,514	2,794,166
	Other income	4	70,343	44,795
	Total operating income	3	2,820,857	2,838,961
Operating expenses	Goods for resale		-683,977	-707,286
	Other external expenses	6, 7	-667,944	-663,220
	Personnel costs	5, 8	-653,423	-632,304
	Costs of sold interests in accommodation/exploitation		-219,002	-71,263
	Share of profit/loss of joint ventures/associates	16	37,212	2,736
	Depreciation/amortisation	9	-536,074	-373,260
	Capital gain on property transaction	37	198,104	
	Operating profit/loss		295,753	394,363
Profit/loss from financial items	Profit/loss from securities held as non-current assets	33	226	428
	Interest and similar income	34	32,335	46,228
	Interest and similar expenses	35	-82,140	-90,960
	Profit/loss before tax		246,174	350,059
	Tax	11	-12,542	-63,345
	Profit/loss for the year		233,632	286,714

OTHER COMPREHENSIVE INCOME, SEK THOUSAND		Note	01/09/2020 -31/08/2021	2019-09-01 -2020-08-31
	Items that may be reclassified to profit or loss	23		
	Change in fair value of cash flow hedges for the year		6,757	6,776
	Deferred tax on cash flow hedges		-1,407	-1,490
	Exchange differences on translation of foreign operations		3,351	-59,224
	Other comprehensive income for the year		8,701	-53,938
	Total comprehensive income for the year		242,333	232,776
Profit/loss for the year attributable to:				
	Shareholders of the Parent		238,119	291,013
	Non-controlling interests		-4,487	-4,299
	Profit/loss for the year		233,632	286,714
Comprehensive income for the year attributable to:				
	Shareholders of the Parent		247,284	239,691
	Non-controlling interests		-4,951	-6,915
	Comprehensive income for the year		242,333	232,776
Earnings per share				
	Earnings per share, basic and diluted, SEK	12	3.04	3.71
	Average number of shares, basic and diluted	12	78,376,056	78,376,056



Consolidated statement of financial position

ASSETS, SEK THOUSAND		Note	31/08/2021	31/08/2020
Non-current assets	Intangible assets	13	178,112	181,609
	Property, plant and equipment	14	3,611,397	3,886,780
	Right-of-use assets	7	1,413,661	712,577
	Investments in associates and joint ventures	16	762,568	394,684
	Other investments and securities held as non-current assets	17	33,784	34,935
	Other non-current receivables	18	72,889	220,290
	Total non-current assets		6,072,412	5,430,875
Current assets				
Inventories	Goods for resale	19	198,674	229,995
			198,674	229,995
Current receivables	Trade receivables	20	30,576	16,522
	Tax receivables		72,064	60,221
	Other current receivables	21	67,953	127,971
	Prepaid expenses and accrued income	22	97,728	98,100
	Assets held for sale	38	308,034	
			576,355	302,814
Cash and cash equivalents	Cash and bank balances	31	26,556	59,567
	Total current assets		801,595	592,376
	TOTAL ASSETS		6,873,997	6,023,251

EQUITY AND LIABILITIES		Note	31/08/2021	31/08/2020
Equity	Share capital	23	19,594	19,594
	Other contributed capital		397,573	397,573
	Reserves		-64,399	-73,565
	Retained earnings including profit for the year		2,405,537	2,167,418
	Equity attributable to shareholders of the Parent		2,758,305	2,511,020
	Non-controlling interests		15,720	49,505
	Total equity		2,774,025	2,560,525
Non-current liabilities				
Non-current interest-bearing liabilities	Liabilities to credit institutions	25	1,147,090	1,489,002
	Provisions for pensions	26	14,535	15,183
	Long-term lease liabilities	7	1,372,010	619,851
Non-current non-interest-bearing liabilities	Other provisions	28	144	9,366
	Derivatives	32	15,416	29,475
	Deferred tax liabilities	11	126,448	186,364
	Total non-current liabilities		2,675,643	2,349,241
Current liabilities	Liabilities to credit institutions	25	563,670	473,121
	Trade payables		154,354	147,240
	Tax liabilities		63,825	72,717
	Short-term lease liabilities	7	93,294	78,218
	Other current liabilities		280,838	231,828
	Accrued expenses and deferred income	29	112,729	110,362
	Liabilities held for sale	38	155,619	
	Total current liabilities		1,424,329	1,113,475
	Total liabilities		4,099,972	3,462,727
	TOTAL EQUITY AND LIABILITIES		6,873,997	6,023,251

Pledged assets and contingent liabilities, see Note 30.



Consolidated statement of changes in equity

GROUP, SEK THOUSAND	Equity attributable to shareholders of the Parent					Total	Non-controlling inter-ests	Total equity
	Share capital	Other contrib-uted capital	Translation reserves	Hedging reserves	Retained earnings and profit for the year			
Opening equity, 1 Sep 2019	19,594	397,573	-9,609	-12,634	2,150,720	2,545,644	56,420	2,602,064
Profit/loss for the year					291,014	291,014	-4,299	286,715
Other comprehensive income for the year ¹⁾			-56,608	5,286	0	-51,322	-2,616	-53,938
Comprehensive income for the year			-56,608	5,286	291,014	239,692	-6,915	232,777
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 Aug 2020	19,594	397,573	-66,217	-7,348	2,167,418	2,511,020	49,505	2,560,525
Opening equity, 1 Sep 2020	19,594	397,573	-66,217	-7,348	2,167,418	2,511,020	49,505	2,560,525
Profit/loss for the year					238,119	238,119	-4,487	233,632
Other comprehensive income for the year ¹⁾			3,815	5,351		9,166	-464	8,702
Comprehensive income for the year			3,815	5,351	238,119	247,285	-4,951	242,334
Transactions involving non-controlling interests							-28,834	-28,834
Dividend					—	—		—
Closing equity, 31 Aug 2021	19,594	397,573	-62,402	-1,997	2,405,537	2,758,305	15,720	2,774,025

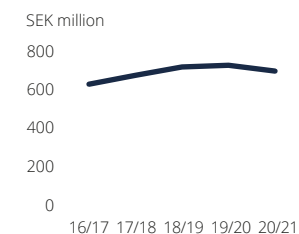
1) Items that may be reclassified to profit or loss for the period.



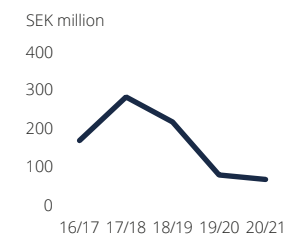
Consolidated statement of cash flows

SEK thousand		Note	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Operating activities	Profit/loss before tax		246,174	350,059
	Adjustments for non-cash items etc.	31	335,051	410,033
			581,225	760,092
	Tax paid		-91,745	-88,726
	Cash flow from operating activities before changes in working capital		489,480	671,366
Cash flow from changes in working capital	Increase (-)/Decrease (+) in inventories		28,800	-67,908
	Increase (-)/Decrease (+) in operating receivables		146,978	24,131
	Increase (+)/Decrease (-) in operating liabilities		33,244	107,057
	Cash flow from operating activities		698,502	734,646
Investing activities	Acquisition of subsidiaries, net cash effect	31, 37	-118,618	-17,826
	Disposal of subsidiaries		485,910	—
	Acquisition of intangible assets		-12,276	-13,451
	Acquisition of property, plant and equipment		-581,817	-598,199
	Acquisition of financial assets		-563,056	-26,435
	Disposal of financial assets		154,911	—
	Disposal of property, plant and equipment		4,717	3,332
	Cash flow from investing activities		-630,229	-652,579
Financing activities	Borrowings		557,453	1,030,887
	Repayment of loans		-521,239	-767,827
	Repayment of lease liability		-110,606	-82,426
	Dividend paid		—	-274,316
	Cash flow from financing activities		-74,392	-93,682
	Cash flow for the year		-6,119	-11,615
	Cash and cash equivalents at start of year		59,567	71,253
	Exchange differences		-116	-71
	Cash and cash equivalents reclassified for sale		-26,775	—
	Cash and cash equivalents at end of year	31	26,556	59,567

CASH FLOW FROM OPERATING ACTIVITIES



CASH FLOW AFTER INVESTING ACTIVITIES





Income statement – Parent Company

SEK thousand		Note	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
	Net sales	2	2,240,680	1,985,208
	Other operating income	4	6,502	24,793
	Total operating income		2,247,182	2,010,001
Operating expenses	Goods for resale		–592,437	–534,728
	Other external expenses	6, 7	–676,334	–625,336
	Personnel costs	5, 8	–483,881	–445,339
	Costs of sold interests in accommodation/exploitation		–30,107	–5,321
	Depreciation/amortisation of assets	9	–159,520	–156,534
	Operating profit/loss		304,903	242,744
Profit/loss from financial items	Profit/loss from securities held as non-current assets	33	–462	676
	Profit/loss from investments in Group companies	10	–135,301	79,122
	Interest and similar income, external	34	30,255	38,553
	Interest income, Group companies	34	1,437	4,732
	Interest and similar expenses, external	35	–51,323	–50,722
	Interest expenses, Group companies	35	—	–252
	Profit/loss after financial items		149,509	314,852
	Appropriations	24	–3,541	1,100
	Profit/loss before tax		145,968	315,952
	Tax	11	–60,917	–39,759
	Profit/loss for the year		85,052	276,193
OTHER COMPREHENSIVE INCOME				
	Items that may be reclassified to profit or loss	23		
	Change in fair value of cash flow hedges for the year		6,677	6,776
	Deferred tax on cash flow hedges		–1,407	–1,490
	Other comprehensive income for the year		5,270	5,286
	Total comprehensive income for the year		90,322	281,479



Balance sheet – Parent Company

ASSETS, SEK THOUSAND		Note	31/08/2021	31/08/2020
Non-current assets	Intangible assets	13	72,782	74,334
	Property, plant and equipment	14	1,747,366	1,702,840
Financial assets	Investments in Group companies	15	201,417	299,377
	Investments in associates	16	2,812	2,812
	Other investments and securities held as non-current assets	17	19,091	19,211
	Other non-current receivables	18	13,715	13,664
	Receivables from Group companies	27	0	265,097
TOTAL NON-CURRENT ASSETS			2,057,181	2,377,334
Current assets				
Inventories	Goods for resale		95,553	102,084
			95,553	102,084
Current receivables	Trade receivables	20	7,589	10,072
	Receivables from Group companies		638,659	462,070
	Tax receivables		60,099	53,651
	Other current receivables	21	25,832	53,810
	Prepaid expenses and accrued income	22	67,382	73,395
			799,561	652,998
Cash and cash equivalents	Cash and bank balances		786	994
			895,900	756,076
TOTAL CURRENT ASSETS			895,900	756,076
TOTAL ASSETS			2,953,081	3,133,410
EQUITY AND LIABILITIES		Note	31/08/2021	31/08/2020

Equity		23		
Restricted equity	Share capital, par value 0.25		19,594	19,594
	Statutory reserve		25,750	25,750
	Development expenditure fund		4,309	4,309
			49,653	49,653
Non-restricted equity	Share premium reserve		4,242	4,242
	Retained earnings		816,167	534,701
	Profit/loss for the year		85,052	276,193
			905,460	815,136
Total equity			955,112	864,789
Non-current interest-bearing liabilities	Liabilities to Group companies	27	—	685,211
	Liabilities to credit institutions	25	437,735	487,735
Provisions	Provisions for pensions	26	14,535	12,212
	Other provisions	28	—	78
Non-current non-interest-bearing liabilities	Derivatives	32	10,494	15,374
	Deferred tax liabilities	11	148,798	147,932
			611,562	1,348,542
Current liabilities	Liabilities to credit institutions	25	145,491	417,473
	Liabilities to Group companies		836,198	161,577
	Trade payables		94,705	74,396
	Other current liabilities		237,133	202,782
	Accrued expenses and deferred income	29	72,879	63,850
Total current liabilities			1,386,407	920,080
Total liabilities			1,997,968	2,268,622
TOTAL EQUITY AND LIABILITIES			2,953,081	3,133,410

Pledged assets and contingent liabilities, see Note 30.



Statement of changes in equity – Parent Company

PARENT COMPANY, SEK THOUSAND	Restricted equity			Non-restricted equity				Total equity
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Hedging reserves	Retained earnings	Profit/loss for the year	
Opening equity, 1 Sep 2019	19,594	25,750	4,309	4,242	-12,634	826,621		867,883
Profit/loss for the year							276,193	276,193
Development expenditure fund								—
Merger result						-10,256		-10,256
Other comprehensive income for the year					5,286			5,286
Comprehensive income for the year					5,286		276,193	281,479
Dividend						-274,316		-274,316
Closing equity, 31 Aug 2020	19,594	25,750	4,309	4,242	-7,348	542,049	276,193	864,789
Opening equity, 1 Sep 2020	19,594	25,750	4,309	4,242	-7,348	818,243		864,789
Profit/loss for the year							85,052	85,052
Development expenditure fund								—
Merger result								—
Other comprehensive income for the year					5,270			5,270
Comprehensive income for the year					5,270		85,052	90,322
Dividend						—		—
Closing equity, 31 Aug 2021	19,594	25,750	4,309	4,242	-2,078	818,243	85,052	955,112



Cash flow statement – Parent Company

SEK thousand		Note	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Operating activities	Profit/loss after financial items		149,510	314,852
	Adjustments for non-cash items etc.	31	254,656	163,138
	Tax paid		–50,854	–57,546
	Cash flow from operating activities before changes in working capital		353,312	420,444
Cash flow from changes in working capital	Increase (–)/Decrease (+) in inventories		6,531	–12,660
	Increase (–)/Decrease (+) in operating receivables		–116,670	–61,748
	Increase (+)/Decrease (–) in operating liabilities		60,844	56,489
	Cash flow from operating activities		304,116	402,525
Investing activities	Acquisition of subsidiaries	31, 37	–100	—
	Acquisition of intangible assets		–14,431	–13,451
	Acquisition of property, plant and equipment		–195,644	–118,155
	Sale of property, plant and equipment			1,179
	Investments in financial assets			–15,410
	Disposal of subsidiaries		8,448	—
	Disposal of property, plant and equipment		4,402	—
	Disposal of financial assets		132,138	—
	Cash flow from investing activities		–65,187	–145,837
Financing activities	Borrowings		392,577	782,286
	Repayment of loans		–631,615	–763,829
	Dividend paid		—	–274,316
	Cash flow from financing activities		–239,038	–255,859
	Cash flow for the year		–208	829
	Cash and cash equivalents at start of year		994	165
	Cash and cash equivalents at end of year	31	786	994



Notes to financial statements

NOTE 1 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND STATUTORY REQUIREMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's Recommendation RFR 1 has been applied.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "Parent Company accounting policies".

BASIS OF PREPARATION OF THE PARENT COMPANY'S AND THE GROUP'S FINANCIAL STATEMENTS

The Parent Company's functional currency is the Swedish krona. This is also the presentation currency for the Parent Company and the Group, which means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all figures are rounded to the nearest thousand. Assets and liabilities are recognised at historical cost less any amortisation or depreciation unless otherwise stated.

Preparation of financial statements in compliance with IFRS requires the use of accounting estimates and judgements. It also requires Group management to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. The estimates and assumptions are based on historical experience and several other factors that are considered reasonable in the present circumstances. The results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates and assumptions. The accounting estimates and assumptions are reviewed regularly. Changes to accounting estimates are recognised in the period of the change. Further information can be found in Note 39.

The Group's accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements unless otherwise stated. The Group's accounting policies have been applied consistently in the reporting and consolidation of the Parent Company, subsidiaries and associates.

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied for the Group and Parent Company are the same as those applied in preparing the previous year's annual accounts and consolidated financial statements, apart from recognition of revenue from accommodation. The Company previously reported the difference between revenue from rental activities and payments to accommodation owners as net commission income under revenue. With effect from 2020/21, all accommodation payments from SkiStar's customers are instead recognised as revenue and the Company's payments to accommodation owners are recognised as an operating expense on the line 'Goods for resale'. On a net basis, this change does not affect the Group's or the Parent Company's operating profit or earnings per share. The reason for the amendment is that the Company has reassessed whether SkiStar is the principal or the agent in terms of the accommodation provided through SkiStar to SkiStar's customers. In recent years, SkiStar has gradually made changes to agreements with accommodation owners, which has, in a review, made it increasingly clear that SkiStar should be seen as the principal with regard to these accommodation services. A company is the principal if it controls the identified product or service before the product or service is transferred to the customer. SkiStar signs an agreement with accommodation owners for at least one year to rent out accommodation through its website. For this, SkiStar pays the accommodation owner rent which is revenue-based in its entirety. The following indicators show that SkiStar is the principal when arranging accommodation for its customers:

- SkiStar has primary responsibility for fulfilling the promise to provide the accommodation service, including responsibility for the service being acceptable; the customer approaches SkiStar's on-site reception for service matters or accommodation deficiencies,
- SkiStar has sole discretion in establishing the price of the accommodation service and this cannot be influenced by the accommodation owner,
- SkiStar has the opportunity to package accommodation and create campaigns in combination with other products such as ski rental, ski school, SkiPass and various ski products.

The amended policy described above should be seen as a correction of an error. Comparative figures have been restated for the 2019/20 financial year in this report.

The effects of the amended accounting policy for revenue from accommodation in the consolidated income statement for the 2019/20 financial year and the Parent Company are as follows:

Group	Reported according to annual report	Effect of amended policy	Restated income statement
Net sales	2,361,636	432,530	2,794,166
Other operating income	44,795		44,795
Total operating income	2,406,431	432,530	2,838,961
Goods for resale	-274,757	-432,530	-707,287
Other external expenses	-663,221		-663,221
Personnel costs	-632,304		-632,304
Vacation Club costs	-71,262		-71,262
Share of profit/loss of associates	2,736		2,736
Depreciation/amortisation of assets	-373,260		-373,260
Operating profit/loss	394,363		394,363





CONT. NOTE 1 ACCOUNTING POLICIES

PARENT COMPANY	Reported according to annual report	Effect of amended policy	Restated income statement
Net sales	1,660,214	324,993	1,985,207
Other operating income	24,793		24,793
Total operating income	1,685,007	324,993	2,010,000
Goods for resale	-209,734	-324,993	-534,728
Other external expenses	-625,336		-625,336
Personnel costs	-445,339		-445,339
Vacation Club costs	-5,321		-5,321
Depreciation/amortisation of assets	-156,534		-156,534
Operating profit/loss	242,743		242,743

No new or amended accounting standards applicable at 31 August 2021 have had any material effect on the Company's financial statements.

A number of new and amended financial reporting standards have been published by the IASB with future effective dates. None of these is expected to have any material effect on the Company's financial reporting.

SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segment's financial results are reviewed regularly by the Company's chief operating decision-maker to allocate resources to the segment and assess its performance. The performance measure that is monitored is the segment's operating profit/loss. In accordance with IFRS 8, segment information is only presented based on the consolidated financial statements. See Note 3 for a further description of the SkiStar Group's classification and presentation of operating segments.

CLASSIFICATION

Non-current assets and liabilities for the Parent Company and Group are essentially amounts that are expected to be recovered or paid more than 12 months after the reporting date. Current assets and liabilities are essentially amounts that are expected to be recovered or paid within 12 months of the reporting date.

BASIS OF CONSOLIDATION**Subsidiaries**

Subsidiaries are entities over which SkiStar AB has control. Control exists if SkiStar AB has influence over the investee, has exposure or rights to variable returns from its involvement and is able to use its influence over the investee to affect those returns. Potential voting rights and the existence of de facto control are taken into consideration when assessing whether control exists.

Subsidiaries are accounted for using the acquisition method. The acquisition of a subsidiary is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition-date fair values of identifiable assets acquired and liabilities assumed, as well as any non-controlling interests, are determined in the purchase price allocation. Transaction costs are recognised directly in profit/loss for the year, apart from transaction costs attributable to the issue of equity or debt instruments.

In a business combination, goodwill is measured as the difference between (a) the consideration transferred, any non-controlling interest and the fair value of the previously-held interest (in a step acquisition) and (b) the fair value of the assets acquired and liabilities and contingent liabilities assumed (accounted for separately). If the difference is negative, the resulting gain (bargain purchase) is recognised directly in profit or loss. The consideration transferred in connection with the business combination does not include payments related to the settlement of previous business relationships. This type of settlement is recognised in profit or loss. Contingent consideration is recognised at the acquisition-date fair value. Contingent consideration that is classified as an equity instrument is not remeasured and its settlement is accounted for within equity. Any other contingent consideration is remeasured at each reporting date and the change is recognised in profit or loss.

A non-controlling interest (NCI) exists when the ownership of the subsidiary is less than 100 percent. There are two options for the measurement of non-controlling interests: to measure the NCI's proportionate share of net assets or to measure the NCI at fair value (full goodwill method). The accounting policy choice for measuring non-controlling interests is available on a transaction by transaction basis. For business combinations achieved in stages (step acquisitions), goodwill is determined on the date on which control arises. Previously held interests are measured at fair value,

with any resultant gain or loss recognised in profit or loss for the year. Following a disposal that results in loss of control, any retained holding is measured at fair value, with any resultant gain or loss recognised in profit or loss.

The results of operations of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which control ceases.

If a subsidiary's accounting policies differ from those of the Group, the subsidiary's policies are adjusted to reflect the Group's accounting policies.

Losses attributable to a non-controlling interest are allocated to non-controlling interests even if this results in non-controlling interests having a debit balance in equity.

Acquisitions of non-controlling interests are accounted for as equity transactions – that is, between owners of the Parent (in retained earnings) and non-controlling interests. Consequently, goodwill does not arise in these transactions. Changes to holdings of non-controlling interests are based on their proportionate share of net assets. For acquisitions conducted before 1 September 2004, goodwill has been tested for impairment and is recognised at a cost corresponding to the carrying amount under previous accounting policies. The classification and accounting treatment of business combinations that occurred before 1 September 2004 has not been reassessed in accordance with IFRS 3 in preparing the Group's IFRS opening balance at 1 September 2004.

Sales to non-controlling interests

Sales to non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, between owners of the Parent and non-controlling interests. The difference between the consideration received and the non-controlling interest's proportionate share of the net assets acquired is recognised in retained earnings.

Associates

Associates are entities in which the Group has significant influence but not control. A holding of between 20 and 50 percent of the voting power normally indicates significant influence. Ownership must also be part of a lasting connection and the holding shall not be reported as a joint arrangement. Associates are accounted for using the equity method, as are joint ventures.





CONT. NOTE 1 ACCOUNTING POLICIES

Joint ventures

In an accounting context, joint ventures are entities in which the Group has joint control through a contractual arrangement with one or more parties. In a joint venture, the Group has rights to the net assets of the arrangement, rather than direct rights to the assets and obligations for the liabilities.

Equity method

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method from the date on which significant influence is established. The equity method means that the carrying amount of shares in associates and joint ventures corresponds to the Group's share of the associates' equity, goodwill on consolidation and any other residual surplus values or deductions for internal gains.

The Group's share of profit/loss of associates and joint ventures after tax is reported under Share of profit/loss of joint ventures and associates in the income statement.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income and expense, and unrealised gains or losses arising from intra-Group transactions are eliminated in full when preparing the consolidated financial statements.

Unrealised gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the company.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

FOREIGN CURRENCY**Foreign currency transactions**

Foreign currency transactions are translated to the functional currency using the exchange rate at the date of the transaction. The functional currency is the currency of the primary economic environment in which the companies operate. Foreign currency monetary assets and liabilities are translated to the functional currency using the closing rate. Foreign exchange gains and losses arising

on translation are recognised in profit or loss for the year.

Non-monetary assets and liabilities carried at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities carried at fair value are translated to the functional currency at the rate that existed when the fair values were determined. All resulting exchange differences are reported in the same way as other fair value changes for the assets or liabilities.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated fair value adjustments, are translated from the foreign operation's functional currency to the Group's presentation currency (SEK) using the closing rate.

Income and expenses in foreign operations are translated to Swedish kronor using an average exchange rate. This average approximates the rates at each transaction date. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income as a translation reserve. On disposal of a foreign operation, the cumulative exchange differences relating to that foreign operation are reclassified to profit or loss.

Net investment in a foreign operation

Exchange differences arising on translation of a net investment in a foreign operation and the associated effects of hedges of net investments are accumulated in a separate component of equity. On disposal of a foreign operation, the cumulative exchange differences, less any hedging, relating to that foreign operation are reclassified to profit or loss.

REVENUE**Sales of goods and services**

Revenue from the sale of goods and services is recognised when the control associated with the goods or service has been transferred to the buyer. Revenue from accommodation, SkiPass and other goods and services associated with guest visits is recognised during the guest's stay. Revenue from the sale of goods in shops is recognised at the time of the transaction, when control has been transferred to the buyer. Revenue is not recognised if

there is significant uncertainty regarding payment or associated costs or there is a risk of returns.

Loyalty programme

SkiStar's MySkiStar loyalty programme awards points corresponding to 0.5 percent of eligible purchases provided by SkiStar. The points can be used for up to 36 months. At each reporting date, newly accrued points are debited from revenue, while previous provisions for points that have been used during the period, or points that have expired, are credited to revenue. The value of remaining points outstanding is reported as a liability in the balance sheet and is included in the item Other current liabilities (see Note 2).

Revenue from property sales

Revenue from property sales is normally recognised on the hand-over date unless control has been transferred to the buyer at a previous date. Control of the asset may have been transferred prior to the handover date, in which case the property sale is recognised as revenue at the earlier date. Assessment of when to recognise revenue is also based on what has been agreed between the parties regarding control and the degree of managerial involvement. Consideration is also given to circumstances with the potential to affect the outcome of the transaction which are outside the control of the seller and/or buyer.

Revenue from property sold to tenant-owner associations is recognised when the company owning the properties is sold to a tenant-owner association or other party, provided the apartments have been let. Otherwise, the revenue is recognised as the apartments are let. The Company does not have any obligation to a tenant-owner association regarding the apartments the association does not sell. However, SkiStar may rent apartments for use in Operation of Mountain Resorts.

Rental income

Rental income from business premises is recognised in profit or loss on a straight-line basis in accordance with the terms of the rental agreement.





CONT. NOTE 1 ACCOUNTING POLICIES

Government grants

Government grants are not recognised in the income statement and balance sheet until there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Grants are recognised in profit or loss over the same periods as the related costs for which the grants are intended to compensate. Government grants in the form of reorientation support in Sweden and business support in Norway are reported under the heading other income. Other government grants related to income, such as support for short-time work, are deducted when the corresponding costs are recognised, i.e., as a cost reduction. Government grants related to assets are recognised in the consolidated statement of financial position as a reduction of the asset's carrying amount.

FINANCE INCOME AND EXPENSES**Finance income and expenses**

Finance income and expenses consist of interest income on bank balances, receivables and interest-bearing securities, interest expenses on borrowings, coupons on interest rate swaps, dividend income and exchange differences. Interest income on receivables and interest expenses on liabilities are recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through a financial instrument's expected life to the net carrying amount of the financial asset or liability. Interest income includes accrued amounts of transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity. Dividend income is recognised when the right to receive payment has been established.

FINANCIAL INSTRUMENTS

Financial instruments recognised under assets in the consolidated statement of financial position include shares and participations, non-current receivables, trade receivables, current loan receivables and cash and cash equivalents. Financial instruments reported under equity and liabilities include borrowings, derivatives in the form of interest rate swaps and accrued interest. Financial instruments are initially recognised at cost, which corresponds to the instrument's fair value plus transaction costs. However, financial assets in the category 'at fair value through profit or

loss' are recognised at fair value net of transaction costs. Subsequent recognition is based on the instruments' classification in accordance with the description below. A financial asset or liability is recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the Company has performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised in the statement of financial position when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised on receipt of the invoice. A financial asset is derecognised in the statement of financial position when the contractual rights have been realised, have expired or the Company loses control over them. The same applies to a part of a financial asset. A financial liability is derecognised in the statement of financial position when the contractual obligation has been discharged or extinguished in some other way. The same applies to a part of a financial liability. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits itself to the purchase or sale of an asset. However, the Company's purchases and sales of listed securities are recognised on the settlement date. The fair value of listed financial assets corresponds to the assets' bid price at the reporting date. The fair value of unlisted financial assets is determined using valuation techniques such as recent transactions, prices of similar instruments and discounted cash flows. Further information can be found in Note 32. At each reporting date, the Company assesses whether there is evidence that a financial asset or group of financial assets is impaired. See also the section on Impairment on page 70. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, which affects subsequent measurement. The financial instrument's subsequent measurement is dependent on its classification in accordance with the categories described below.

Receivables measured at amortised cost

Receivables measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arise when an entity pro-

vides money, goods or services directly to a beneficiary with no intention of trading the receivable. This category also includes acquired receivables. Assets in this category are measured at amortised cost. Amortised cost is determined using the effective interest calculated on acquisition. Trade receivables are classified in this category. Trade receivables are recognised at the amounts expected to be received less an allowance for doubtful debts, which are assessed individually. As the expected maturities of trade receivables are short, the value is recognised at a nominal amount without discounting. Impairment losses on trade receivables are recognised in operating expenses.

Non-current and other current receivables are receivables that arise when the Company provides money without the intention of trading the receivable. If the expected holding period is longer than one year, they are classified as non-current receivables, while if it is less than one year, they are classified as current receivables.

Fair value through profit or loss

This category includes derivatives with fixed payments, and shares and participations with a value that is determinable in an active market. Assets in this category are measured at fair value, with the period's changes in value recognised in other comprehensive income.

Other financial liabilities

Financial liabilities not held for trading are measured at amortised cost. Amortised cost is determined using the effective interest calculated on initial recognition of the liability. This means that surplus and deficit values and direct issue costs are accrued over the period of the liability. Liabilities are classified as other financial liabilities, which means they are initially recognised at the amount received, net of transaction costs. After acquisition, the loans are measured at amortised cost using the effective interest method. Non-current liabilities have an expected maturity exceeding one year, while current liabilities have a maturity of less than one year. Trade payables are classified in the category other financial liabilities. As trade payables have a short expected maturity, they are measured at nominal amounts without discounting.





CONT. NOTE 1 ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits with banks and similar institutions and short-term deposits with an original maturity of three months or less, which are subject to only an insignificant risk of changes in value.

PROPERTY, PLANT AND EQUIPMENT

Owned property, plant and equipment consists of:

- Buildings used in operations, such as offices, reception areas, warming cabins and lift buildings
- or that are rented out to other operations, such as restaurants and hotels.
- Land
- Land improvements, such as pistes, car parks, underground pipes for snow cannons etc.
- Lifts, snow groomers, snowmobiles etc.

Right-of-use assets: SkiStar reports leases in accordance with IFRS 16 with effect from 1 September 2019. The value is included in the Company's financial statements when the Company is a lessee. See below for a description of the Company's lease reporting.

Owned property, plant and equipment

These items are recognised as assets in the statement of financial position when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably. Property, plant and equipment is recognised in the consolidated accounts at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location in the condition necessary for it to be capable of operating in the manner intended. Examples of directly attributable costs are delivery and handling costs, installation, land registration certificates, and consulting and legal services.

Accounting policies for impairment are set out below.

The Group holds exploitation assets that constitute long-term

investments. Many of the properties were not acquired for sale in the near future, but came as part of company acquisitions. Some of the assets, such as cross-country ski tracks, car parks and roads, are used in current operations. The areas that are not currently used are included in long-term development plans for future investments at SkiStar's destinations and are recognised at cost, as it is difficult to make a reasonable assessment of a possible exploitation rate and therefore obtain a reasonable market value.

The cost of self-constructed assets includes expenditure on materials, labour, any other production costs considered directly attributable to the asset and interest on borrowings during the construction phase.

Parts of property, plant and equipment that have different useful lives are treated as separate components of property, plant and equipment.

An item of property, plant and equipment is removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the selling price and the asset's carrying amount less direct costs to sell. Gains and losses are reported under other operating income/expenses.

Right-of-uses assets – Leases

The leases are reported as a right-of-use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is apportioned between repayment of the liability and the finance cost. The finance cost is distributed over the lease term so that each accounting period is expensed with an amount corresponding to a fixed interest rate for the liability recognised during each period. Right-of-use assets are depreciated on a straight-line basis over the shorter of their useful life or the lease term.

Lease liabilities are initially measured at the present value of future lease payments, which include fixed payments, variable payments that depend on an index or a rate, amounts expected to be paid to the lessor under a residual value guarantee, the

exercise price of a purchase option if the Company is reasonably certain to exercise the option and the penalty for terminating the lease if the lease term reflects an assumption that this termination option will be exercised. The lease payments are discounted at the rate implicit in the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate is used.

On initial recognition, right-of-use assets are measured at the amount of the lease liability adjusted for any lease payments made on or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment. Impairment testing is carried out if there is evidence that the right-of-use asset's carrying amount exceeds its recoverable amount.

Right-of-use assets and lease liabilities are presented as separate items in the balance sheet under Right-of-use assets and Non-current and current lease liabilities.

For short-term and low-value leases, lease payments are recognised as an expense on a straight-line basis in the income statement. Short-term leases are contracts with a lease term of 12 months or less. When a new lease is entered, the Company makes an assessment of whether the lease will be extended, purchased or terminated early. In cases where leases are open, without a defined end date, local laws and regulations may provide security of tenure for the lessee. In these cases, the Company makes an assessment of what a reasonable contract length is and determines the term of the contract by referencing factors such as the importance of the asset to the business and the Company's own planned or completed investments. When calculating the lease liability and the amount of the right of use, the implicit interest rate is applied in the contract in the first instance. In cases where it is not possible to determine the implicit interest rate, the incremental borrowing rate is used instead, which corresponds to the rate the Company would have been offered if the acquisition was financed by a loan from a financial institution. The Company begins to write off its right of use from the start date of the contract, and the depreciation period is the same as the lease term. Interest expenses on lease liabilities are presented as finance expenses in the income statement.





CONT. NOTE 1 ACCOUNTING POLICIES

Cash flows from leases are classified and presented as follows:

- Repayment of the lease liability is included in financing operations.
- Interest payments are included in cash flow from operating activities.
- Payments for short-term leases and payments for leases where the underlying asset is of low value and not included in the measurement of the lease liability are presented in operating activities.

For sale and leaseback transactions, the right-of-use arising from the leaseback transaction is recognised at the proportion of the previously recognised value of the asset that refers to the right-of-use that is retained by the seller/lessee. Therefore, the seller/lessee only recognises any gain or loss from the sale corresponding to the right that was transferred to the buyer/lessor.

Land restoration costs

No dismantling and land restoration costs have been included in the value of either owned or leased assets, as it is the Company's assessment that any dismantling or restoration costs would not be material in relation to the total value of the facility, and the Company does not consider there to be any probable scenarios where such costs would arise. This assessment is based on the fact that if operations in a particular location were to cease, it is highly likely that another player would take over the leased land and facilities.

Subsequent costs

Subsequent costs are added to the cost of acquisition only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs are recognised as an expense in the period in which they are incurred. The critical factor in the inclusion of subsequent costs in the cost of acquisition is whether they relate to the replacement of identified components or parts thereof. If this is the case, these costs are capitalised. If new components are identified, the related costs are also added to the cost of acquisition. Any residual values of replaced

components or part thereof are removed and recognised as an expense at the time of replacement. Repairs are recognised as an expense as incurred.

Amortisation

Depreciation is applied on a straight-line basis over the useful life of the asset. Land and land improvements associated with ski slopes are not depreciated. The Group applies component depreciation, which means depreciation is based on the estimated useful lives of components.

Estimated useful lives:

Buildings (owner-occupied properties)	15-50 years
Land improvements	20 years
Machinery and equipment	3-33 years

Owner-occupied properties comprise several components with different useful lives. The primary category is land and buildings. Land is not depreciated, as it has an indefinite useful life. However, buildings consist of several components with different useful lives. The useful lives of these components have been estimated at between 15 and 50 years.

The following primary groups of components have been identified and form the basis of depreciation of buildings:

Structures and foundations	50 years
Structural additions, interior walls etc.	40 years
Installations: heating, electricity, plumbing, ventilation etc.	40 years
External surfaces: façades, roofs, windows etc.	40 years
Fixed equipment, kitchen equipment etc.	25 years
Heating and ventilation	30 years
Internal surfaces, mechanical equipment etc.	15 years

Machinery and equipment mainly includes ski lifts and snowmaking facilities consisting of several components with different useful lives. The useful lives of these components have been estimated at between 10 and 33 years.

The following primary groups of components have been identified and form the basis of depreciation of lifts:

Foundations and masts	33 years
Cabins, gondolas, chairs and carriers	15-25 years
Lines	10-15 years
Engines, gearboxes and electronics	15 years
Other movable mechanisms	20 years

The following primary groups of components have been identified and form the basis of depreciation of snowmaking facilities:

Pipes and hydrants	20 years
Compressors	15 years
Pumps, snow cannons and electronics	10 years

Other components are not considered to be of great value. The residual values and useful lives of assets are reviewed annually.

INTAGIBLE ASSETS

Goodwill

Goodwill is the difference between the cost of acquisition and the fair value of the acquired assets and assumed liabilities and contingent liabilities. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised; instead, it is tested annually for impairment. Goodwill arising on the acquisition of an associate is included in the carrying amount of investments in associates.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses.

Costs incurred for internally generated goodwill and internally generated trademarks are recognised in profit or loss as incurred.

Development expenditure on the Group's booking and sales systems is capitalised to the extent that it is expected to generate future economic benefits. Capitalised expenditure comprises externally invoiced costs and, where applicable, direct costs for the Company's own labour.





CONT. NOTE 1 ACCOUNTING POLICIES

Subsequent costs

Subsequent costs for capitalised intangible assets are recognised as an asset in the statement of financial position only when such expenditure increases the future economic benefits for the asset to which it refers. All other expenditure is recognised as an expense when incurred.

Amortisation

Amortisation is recognised in profit/loss for the year on a straight-line basis over the intangible asset's useful life, unless it has an indefinite useful life. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or whenever there is an indication that the asset in question may be impaired. Amortisation begins when the asset is available for use. The estimated useful lives are:

- Leases 15–50 years
- Capitalised development expenditure, tenancy rights etc. 5 years

The useful lives are reviewed annually.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale. The cost of inventories is measured using the first-in, first-out (FIFO) method and includes expenditure incurred in the acquisition of the inventories.

The inventory value also includes some shares in tenant-owner associations. These are shares that are for sale and they are measured at cost as they are used in operations until they are sold.

IMPAIRMENT

The carrying amounts of the Group's assets are assessed at each reporting date to determine whether there is any indication of impairment. IAS 36 is applied for impairment of assets other than financial assets (accounted for under IFRS 9), assets held for sale and disposal groups (accounted for under IFRS 5), inventories, plan assets used to finance employee benefits and deferred tax assets. The carrying amounts of assets listed above as exceptions are estimated within the scope of the relevant standard. For good-

will, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is calculated at least annually or when there is an indication of impairment.

If it is not possible to determine largely independent cash flows for an asset, it is tested for impairment within its cash-generating unit, which is the smallest identifiable group of assets generating largely independent cash flows. An impairment loss is recognised when the recoverable amount of an asset or a cash-generating unit is less than its carrying amount. Impairment losses are recognised in profit or loss. Impairment recognised for a cash-generating unit (group of units) is initially allocated to goodwill and subsequently to the other assets of the unit (group of units) pro rata based on the carrying amount of each asset. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In measuring value in use, cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risk specific to the asset. If an asset does not generate cash flows that are largely independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Impairment of financial assets

At each reporting date, the Company assesses whether there is evidence that a financial asset or group of assets is impaired.

Impairment is recognised when one or more events have occurred and have had a negative effect on the financial asset's future cash flows. This includes observable data that the asset holder has become aware of regarding:

- The issuer's financial difficulties
- Breaches of contract
- Prolonged financial or contractual reasons.

The Company classifies trade receivables as doubtful debts when they have been due for payment for 180 days. Impairment of receivables is established by reference to historical experience of customer defaults on similar receivables. Impaired trade receivables are recognised at the present value of expected future cash flows. However, receivables of short duration are not discounted.

Reversal of impairment

Impairment of assets accounted for under IAS 36 is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the recoverable amount calculation was based. However, goodwill impairment is never reversed. Impairment is reversed only to the extent that the asset's increased carrying amount due to reversal is not more than what the depreciated historical cost would have been if the impairment had not been recognised.

EMPLOYEE BENEFITS**Defined contribution plans**

Defined contribution pension plans are plans under which the Company's obligation is limited to the contributions it has undertaken to provide. In such cases, the size of the employee's pension depends on the contributions the Company pays to the plan or to an insurance company and on the investment returns generated by the contributions. Accordingly, the employee assumes the actuarial risk (that the benefits will be less than expected) and the investment risk (that the assets invested will not provide the expected benefits). The Company's obligations regarding contributions to these plans are recognised as an expense in the income statement as the contributions are earned, which is when employees have rendered services to the Company during a period.

Defined benefit plans

Separately funded defined benefit pension plans are recognised in accordance with IAS 19. Defined benefit liabilities recognised in the balance sheet represent the present value of the defined benefit obligation at the end of the reporting period. Defined benefit plans financed via Alecta are reported as defined contribution plans as there is insufficient information to report the plans as defined benefit plans. The Group has defined benefit pension obligations that are mainly dependent on the current market value of the endowment insurance owned by the Group. Endowment insurance is reported under financial assets, and pension obligations are reported as provisions at the same value as the carrying amount of the endowment insurance.





CONT. NOTE 1 ACCOUNTING POLICIES

Termination benefits

Termination benefits are only recognised if the Company is demonstrably committed, without realistic possibility of withdrawal, to terminate employment before the normal retirement date and has a detailed formal plan for the termination. When benefits are provided as an offer made to encourage voluntary redundancy, an expense is recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) resulting from a past event and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

TAXES

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is recognised correspondingly.

Current tax is the amount of income taxes payable or recoverable in respect of the current year, using the tax rates that have been enacted or substantively enacted at the reporting date. This also includes adjustment of current tax attributable to prior periods.

Deferred tax is recognised using the balance sheet method for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Exceptions are temporary differences arising from the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss, and investments in subsidiaries and associates where the temporary difference is not expected to reverse in the foreseeable future. The measurement of deferred tax is based on the way the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets on temporary differences and deferred tax assets arising from the carryforward of unused tax losses are recognised only to the extent that it is probable that they can be utilised. The carrying amounts of deferred tax assets are reviewed and reduced when it is no longer probable that they can be utilised.

EARNINGS PER SHARE

The calculation of earnings per share is based on the Group's profit/loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year.

CONTINGENT LIABILITIES

A contingent liability is recognised when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because an outflow of resources is unlikely to be required to settle the obligation.

ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use. A non-current asset is measured at the lower of the carrying amount and fair value less costs to sell. One of the conditions that must be met for an asset to be classified as held for sale is that the sale is very probable and that the assets are available for immediate sale in their current condition. One criterion for the sale to be considered very probable is that the authorised level in the company's management team is bound by a plan to sell the non-current assets in their current condition. Determining whether and when non-current assets and disposal groups are to be classified as held for sale requires estimates from management concerning all information and all circumstances related to the transaction, its parties and the market, and companies may reach different conclusions within the framework of IFRS.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2. The Swedish Financial Reporting Board's issued statements concerning listed companies are also applied.

Classification and presentation

An income statement and statement of comprehensive income are presented for the Parent Company. The Parent Company's balance sheet and cash flow statement correspond to the Group's statement of financial position and statement of cash flows. The Parent Company's income statement and balance sheet are presented in accordance with the format described in the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences between the consolidated financial statements and the Parent Company's income statement and balance sheet are mainly related to finance income and expenses, equity and the reporting of provisions as a separate balance sheet heading. Differences between the Group's and the Parent Company's accounting policies Differences between the Group's and the Parent Company's accounting policies are described below. The Parent Company's accounting policies set out below have been applied consistently to all periods presented in the Parent Company's financial statements.

Subsidiaries and associates

Investments in subsidiaries and associates are recognised in the Parent Company using the cost method. This means that transaction costs are included in the carrying amount of investments in subsidiaries and associates. In the consolidated accounts, transaction expenses attributable to subsidiaries are recognised directly in profit or loss as incurred. Contingent consideration is measured based on the probability that the purchase consideration will be paid. Any changes in the provision/receivable are added to or deducted from the cost. In the consolidated accounts, contingent consideration is recognised at fair value, with the corresponding gain or loss recognised in profit or loss.





CONT. NOTE 1 ACCOUNTING POLICIES

Financial guarantees

The Parent Company's financial guarantee contracts consist mainly of guarantees provided for subsidiaries. Under a financial guarantee, the Company has an obligation to reimburse the holder of a debt instrument for losses it incurs if a specified debtor fails to make payment when contractually due. In its reporting of financial guarantee contracts, the Parent Company applies an exemption from the provisions of IFRS 9 permitted by the Swedish Financial Reporting Board. The exemption applies to financial guarantees provided for subsidiaries, associates and joint ventures. The Parent Company reports financial guarantee contracts as a provision for the Group when the Company has an obligation, and an outflow of resources is likely to be required to settle the obligation.

Financial instruments

The Parent Company applies the provisions of Chapter 4, section 14 a-e, of the Swedish Annual Accounts Act, which permits the fair value measurement of certain financial instruments.

Taxes

Untaxed reserves recognised for the Parent Company include deferred tax liabilities, while in the consolidated accounts, untaxed reserves are divided into deferred tax liabilities and equity.

Group contributions and shareholder contributions for legal entities

The Company reports Group and shareholder contributions in accordance with RFR 2. Shareholder contributions are recognised directly in the recipient's equity and capitalised in the contributor's shares and interests, to the extent that there is no impairment. Group contributions are reported in the income statement.

Leases

The Parent Company does not recognise leases as right-of-use assets and lease liabilities in the balance sheet. Lease payments are recognised as an expense on a straight-line basis over the lease term, in accordance with the exemption from IFRS 16 contained in RFR 2 Accounting for Legal Entities.

NOTE 2 DISTRIBUTION OF NET SALES

GROUP

TOTAL, SEK million	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Alpine skiing/SkiPass	1,143	1,231
Accommodation	666	693
Ski rental	127	163
Ski school/Activities	41	50
Sporting goods outlets	207	179
Property services	113	102
Restaurants	15	—
Sale of interests in accommodation and exploitation assets	185	176
Other	255	199
Total Group	2,751	2,794

BY SEGMENT, SEK MILLION

Operation of Mountain Resorts	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
SkiPass	1,143	1,231
Accommodation	628	664
Ski rental	127	163
Ski school/Activities	41	50
Sporting goods outlets	207	179
Property services	113	102
Restaurants	15	—
Other	255	199
Total, Operation of Mountain Resorts	2,529	2,589
Property Development & Exploitation	185	176
Operation of Hotels	38	29
Total Group	2,751	2,794

BY COUNTRY AND SEGMENT, SEK million

Sweden		
– Operation of Mountain Resorts	2,142	1,850
– Property Development & Exploitation	87	163
– Operation of Hotels	3	—
Norway¹⁾		
– Operation of Mountain Resorts	304	626
– Property development	160	35
– Operation of Hotels	35	29
Austria²⁾		
	20	91
Total Group	2,751	2,794

1) There are no exploitation operations in Norway.

2) There are no property development, exploitation or hotel operations in Austria.

PARENT COMPANY

TOTAL, SEK million	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Alpine skiing/SkiPass	954	807
Accommodation	604	510
Ski rental	119	117
Ski school/Activities	40	43
Sporting goods outlets	175	149
Property services	58	59
Sale of interests in accommodation and exploitation assets	30	34
Other	260	266
Total Parent Company, derived from Sweden	2,241	1,985



CONT. NOTE 2 DISTRIBUTION OF NET SALES

BY SEGMENT, SEK million

	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Operation of Mountain Resorts		
SkiPass	954	807
Accommodation	601	510
Ski rental	119	117
Ski school/Activities	40	43
Sporting goods outlets	175	149
Property services	58	59
Other	260	266
Total, Operation of Mountain Resorts	2,208	1,951
Property Development & Exploitation	30	34
Operation of Hotels	3	—
Total Parent Company derived from Sweden	2,241	1,985

The opening balance for contract liabilities as of 31 August 2020 was recognised in the 2020/21 financial year as shown in the following table, where revenue was recognised over the period of the guest's stay.

Contract liabilities	31/08/2021	31/08/2020
Advances from guests	169	200
Opening balance	200	135
Via profit/loss	–141	–118
Repaid	–53	–10
Remaining from previous year	7	–2
New receipts	162	200
Translation difference	–6	–5
Closing balance	169	200

LOYALTY PROGRAMME

Utilised loyalty discounts for the year amount to SEK 3.3 (2.5) million. Expired discounts during the year amount to SEK 1.1 (1.1) million and additional loyalty liabilities are SEK 5.0 (4.3) million. Closing loyalty liabilities amount to SEK 7.8 (7.2) million and are included in other liabilities.

NOTE 3 THE GROUP'S OPERATING SEGMENTS

	Full year 1 Sep-31 Aug	
SEK thousand	2020/21	2019/20
Operation of Mountain Resorts		
External revenue	2,581,674	2,610,495
Internal revenue	25,676	31,297
Capital gains	325	1,210
Total revenue	2,607,676	2,643,002
External operating expenses	–2,188,466	–1,992,520
Costs from other segments	–60,965	–51,888
Capital losses	—	–607
Discount profit share from associates	3,344	—
Profit/loss from investments in joint ventures and associates	–4,751	1,408
Depreciation/amortisation	–272,531	–264,233
Operating profit/loss	84,307	335,161
Intangible assets	178,112	181,609
Property, plant and equipment	2,871,508	3,089,986
Financial assets	49,262	68,350
Operating loans	1,132,543	1,089,825
Property Development & Exploitation		
External revenue	15,612	21,434
Exploitation revenue	184,744	176,076
Internal revenue	36,072	20,473
Capital gains	944	1,179
Total revenue	237,372	219,162
External operating expenses	–60,887	–64,567
Costs from other segments	125	118
Costs of sold exploitation assets	–155,380	–71,263
Capital losses	–4,224	–9,256
Profit/loss from investments in joint ventures and associates	38,620	1,329
Depreciation/amortisation	–24,029	–19,730
Operating profit/loss	31,597	55,794
Intangible assets	—	—
Property, plant and equipment	713,698	796,794
Financial assets	819,979	581,532
Operating loans	578,217	872,326

	Full year 1 Sep-31 Aug	
SEK thousand	2020/21	2019/20
Operation of Hotels		
External revenue	37,559	28,568
Exploitation revenue	—	—
Internal revenue	—	—
Capital gains	—	—
Total revenue	37,559	28,568
External operating expenses	–63,000	–33,715
Costs from other segments	–909	—
Capital losses	—	—
Profit/loss from investments in joint ventures and associates	—	—
Depreciation/amortisation	–1,303	—
Operating profit/loss	–27,653	–5,147
Intangible assets	—	—
Property, plant and equipment	26,192	—
Financial assets	—	—
Operating loans	—	—
Internal revenue	–61,748	–51,770
Internal costs	61,748	51,770
Consolidated revenue	2,820,858	2,838,962
Consolidated operating profit/loss	88,251	385,807
Recovery of lease costs attributable to IFRS 16	97,275	97,852
Amortisation attributable to IFRS 16	–87,876	–89,296
Capital gain on property transaction	198,104	—
Operating profit per income statement	295,753	394,362
Consolidated intangible assets	178,112	181,609
Consolidated property, plant and equipment	3,611,398	3,886,780
Consolidated financial assets	869,242	649,882
Consolidated operating loans	1,710,760	1,962,151





CONT. NOTE 3 GROUP OPERATING SEGMENTS

SEK thousand	Full year 1 Sep-31 Aug	
	2020/21	2019/20
Revenue		
Sweden	2,260,851	2,024,886
Norway	493,832	715,596
Austria	66,175	98,480
	2,820,858	2,838,962
Non-current assets		
Sweden	3,700,157	3,078,530
Norway	961,756	1,280,366
Austria	—	359,376
	4,661,913	4,718,271

With effect from 1 July 2021, operations are monitored and presented in a new third segment in addition to the previous segments Operation of Mountain Resorts and Property Development & Exploitation. The third segment involves Operation of Hotels.

Operation of Mountain Resorts comprises the operation of ski resorts and the sale of all products and services in this area, such as SkiPass, accommodation, activities and shops. The focus is on sales and efficient operation. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development & Exploitation. The segment's non-current assets are mainly property, plant and equipment used directly in the operations, such as pistes and lifts, or used or rented out for activities that complement the segment, such as ski shops, equipment hire and restaurants.

Property Development & Exploitation comprises the management of assets that can be exploited or utilised in the segment or leased to the Operation of Mountain Resorts segment. Segment revenue consists of the sale of land and other properties, the sale of unit weeks in Vacation Club, and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Mountain Resorts segment. The segment's assets consist of land and other properties, as well as shares in tenant-owner associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing areas.

REVENUE AND PROFIT

Revenue from Property Development & Exploitation amounted to SEK 237 (219) million, with a profit of SEK 32 (56) million. During the year, interests in accommodation were sold for SEK 99 million (117), with a profit of SEK 27 million (55). SEK 26 million (43) related to revenue from sales of shares in Vacation Club and SEK 73 million (74) to other interests in accommodation. Profit is broken down as follows: SEK 17 million (29) attributable to Vacation Club and SEK 10 million (26) to other interests. Sales of interests in accommodation other than within Vacation Club are mainly derived from the divestment of apartments in Trysil and Hemsedal.

During the year, exploitation assets were sold for SEK 86 million (59), with a profit of SEK 0 million (50). SEK 86 million (33) related to revenue from the sale of land, while SEK 0 million (26) was from the sale of plots. The reason for this zero figure is that the sales were made internally at Group level to newly formed companies. These have since been divested to companies in the Skiab Invest Group, generating the capital gains noted above. In a fifty-percent owned joint venture, the sale of land to a tenant-owner association generated SEK 14 million (13) in share of profit.

Other activities within Property Development & Exploitation relate primarily to rental of accommodation to the Operation of Mountain Resorts segment.

Operation of Hotels includes activities related to hotel operations conducted under the SkiStar brand and under SkiStar's management from 1 July 2021. Operation of Hotels includes revenue from accommodation, restaurants and other goods and services provided in connection with the hotels.

The segment information is reported using the same model as is used by executive decision-makers during internal follow-up: the CEO, Group Management and Board of Directors.

NOTE 4 OTHER OPERATING INCOME

Government support received in connection with the Covid-19 pandemic is reported under other income and includes business support of SEK 44,449 thousand in Austria and SEK 16,636 thousand in Norway. Other recognised income consists of exchange gains in operations and capital gains on the disposal of non-current assets used in operations and not included in available-for-sale assets. Total other operating income for the Group amounts to SEK 70,343 (44,795) thousand and for the Parent Company SEK 6,502 (24,793) thousand.

NOTE 5 WORK PERFORMED BY THE COMPANY AND CAPITALISED

Work performed by the Company and capitalised comprises investment expenditure on investment-based work performed by the Company's own personnel and expenditure on the Company's own contract business.

The year's capitalised amounts were SEK 871 (3,021) thousand for the Group and SEK 587 (293) thousand for the Parent Company.

NOTE 6 FEES AND REIMBURSEMENTS TO AUDITORS

SEK thousand	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Group		
PriceWaterhouseCoopers		
Audit engagements	3,052	2,253
Other audit services	718	266
Tax advisory services	109	219
Other engagements	425	248
Q.Rev		
Audit engagements	421	
	4,725	2,986
SEK thousand	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
PARENT COMPANY		
PriceWaterhouseCoopers		
Audit engagements	2,215	1,392
Other audit services	429	163
Tax advisory services	103	189
Other engagements	62	122
	2,809	1,867

Audit engagements refers to fees for the statutory audit, that is, such work that was necessary to render the auditor's report, and audit advice that is provided in connection with the audit engagement. Other audit services refers to fees for statements of opinion and other statutory engagements that must be performed by external audit. It also includes reviews of interim reports. Other engagements refers to costs that are not classified as audit engagements, other audit services or tax advisory services.

NOTE 7 **LEASES****RIGHT-OF-USE ASSETS**

Group	31/08/2021	01/09/2020
Accumulated cost		
Opening balance, 1 Sep 2020	800,544	815,409
New leases	962,458	29,553
Terminated leases	-153,585	-191
Reclassification to liabilities held for sale	-73,432	
Translation differences	1,214	-44,227
Closing balance, 31 Aug 2021	1,537,199	800,544
Accumulated depreciation		
Opening balance, 1 Sep 2020	-87,967	0
Depreciation/amortisation	-85,662	-89,296
Terminated leases	42,421	
Reclassification to assets held for sale	4,385	
Translation differences	3,285	1,329
Closing balance, 31 Aug 2021	-123,538	-87,967
Residual value, right-of-use assets		
Opening balance, 1 Sep 2020	712,577	815,409
Closing balance, 31 Aug 2021	1,413,661	712,577

LEASE LIABILITY

Group	31/08/2021	01/09/2020
Accumulated cost		
Opening balance, 1 Sep 2020	698,069	792,662
New leases	986,797	29,408
Lease payments made	-87,999	-96,152
Terminated leases	-109,480	-169
Interest applied	14,690	15,426
Accrued expenses	34,393	-663
Reclassification to assets held for sale	-69,709	
Translation differences	-1,457	-424,43
Closing balance, 31 Aug 2021	1,465,304	698,069

Of which current liabilities

Opening balance, 1 Sep 2020	78,218	81,676
Closing balance, 31 Aug 2021	93,294	78,218
Costs for leases not included in right-of-use assets or lease liabilities		
Leases with variable payments	20,781	17,078
Short-term leases (<12 months)	27,451	36,771
Low-value leases	2,075	1,042
	50,307	54,891

Right-of-use assets by asset class ¹⁾	31/08/2021	01/09/2020
Land leases	280,672	356,928
Premises	991,943	194,460
Ski lift installations	122,695	138,131
Other	18,351	23,058
Total right-of-use assets¹⁾	1,413,661	712,577

1) Contracts with a start date after 31 Aug 2021 are valued at SEK 551,341 thousand.

Depreciation of right-of-use assets by asset class	31/08/2020	01/09/2020
Land leases	9,754	14,053
Premises	48,485	48,198
Ski lift installations	15,435	15,442
Other	11,988	11,603
Total depreciation of right-of-use assets	85,662	89,296

Total cash flow from leases

Reporting year	Maturity analysis		
	Within one year	2-5 years	>5 years
87,999	152,425	519,453	668,583
Comparative year	Maturity analysis		
	Within one year	2-5 years	>5 years
	102,076	291,455	561,570

The Parent Company does not recognise leases as right-of-use assets and lease liabilities in the balance sheet. Lease payments are recognised as an expense on a straight-line basis over the lease term, in accordance with the exemption from IFRS 16 contained in RFR 2 Accounting for Legal Entities.

The Parent Company's leases consist mainly of rental agreements for shop premises, ski rental, and accommodation for guests and seasonal employees. SkiStar AB also has rental agreements for ski lifts in Åre and Vemdalen, with the remaining terms of 9–15 years.

PARENT COMPANY

		01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Lease costs for the financial year		84,716	93,921
Agreed future lease payments under non-cancellable leases are due as follows:	Within one year	58,425	54,662
	Two to five years	181,971	124,574
	After five years	595,168	181,893
Total future lease payments		835,504	361,129

In connection with the property transaction of 1 July, the cost of sale and leaseback for the SkiStar Lodge Lindvallen and SkiStar Lodge Alpin Hemsedal properties resulted in a capital loss of SEK 38 million.



NOTE 8 INFORMATION ON PERSONNEL AND REMUNERATION OF THE BOARD OF DIRECTORS AND CEO

AVERAGE NUMBER OF EMPLOYEES

Average number of employees, classified by gender

Group	01/09/2020 –31/08/2021	Proportion, %	01/09/2019 –31/08/2020	Proportion, %
Sweden				
Women	398	43	356	42
Men	532	57	497	58
Foreign entities				
Norway				
Women	64	30	76	32
Men	147	70	161	68
Austria				
Women	9	16	10	14
Men	46	84	66	86
Total, Group	1,196		1,166	
PARENT COM-PANY	01/09/2020 –31/08/2021	Proportion, %	01/09/2019 –31/08/2020	Proportion, %
Sweden				
Women	389	43	349	42
Men	524	57	486	58
Total, Parent Company	913		835	

GENDER DISTRIBUTION, BOARD OF DIRECTORS AND GROUP MANAGEMENT

Group	31 Aug 2021 % women	31 Aug 2020 % women
Board of Directors	67%	67%
Other senior executives	29%	10%
PARENT COM-PANY		
Board of Directors	67%	67%
Other senior executives	29%	13%

SALARIES, OTHER BENEFITS AND SOCIAL SECURITY CONTRIBUTIONS

	2020-09-01–2021-08-31					01/09/2019 – 31/08/2020				
	Salaries	Bonuses	Other benefits	Social security contributions	Pension contributions	Salaries	Bonuses	Other benefits	Social security contributions	Pension contributions
PARENT COMPANY										
Mats Årjes						979	2,340	56	1,060	416
Anders Örnulf						510	—	33	171	120
Stefan Sjöstrand	4,836	—	182	1,577	1,464	2,104	—	66	682	640
CEO total	4,836	—	182	1,577	1,464	3,593	2,340	155	1,913	1,176
Other senior executives	10,111	—	512	3,334	2,890	10,326	3,446	640	4,357	4,096
Other personnel	328,796	—	2,733	100,466	20,861	295,255	—	2,159	98,638	16,128
Total Parent Company	343,743	—	3,427	105,377	25,215	309,174	5,786	2,954	104,908	21,400
Subsidiaries										
Other senior executives ¹⁾	—	—	—	—	—	2,991	1,035	360	511	433
Other personnel	138,365	—	1,430	19,715	9,556	149,400	20	1,168	21,184	9,087
Total subsidiaries	138,365	—	1,430	19,715	9,556	152,391	1,055	1,528	21,695	9,520
Group	482,108	—	4,857	125,092	34,771	461,565	6,841	4,482	126,603	30,920

1) The only senior executives in other countries are in Norway but not in 2020/2021

REMUNERATION TO BOARD MEMBERS

Members of the Board received remuneration of SEK 1,875 (2,670) thousand. The distribution between the Chairman and individual members is described in the Corporate Governance Report on page 123. No Board member received any other remuneration in addition to Board fees.

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES 2021/22

The guidelines below are drawn up by the Remuneration Committee, discussed by the Board and were approved by the AGM on 12 December 2020. They have been produced in relation to new EU regulations regarding shareholder rights that have been implemented via changes to the Swedish Companies Act and the Swedish Corporate Governance Code. They apply until any new guidelines are adopted by the general meeting or for a maximum of four years.

Scope

The guidelines below include the Board of Directors (as applicable), the CEO and other members of Group management, hereinafter referred to as senior executives. The guidelines are applicable to remuneration under new agreements, and amendments to remuneration already agreed, after adoption of the new guidelines by the AGM. The guidelines do not apply to remuneration decided on by the general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

SkiStar's vision is to create memorable mountain experiences as the leading operator of European alpine destinations. As a listed company, SkiStar aims to create value for the Company's shareholders and promote long-term sustainability in all operations.





CONT. NOTE 8 INFORMATION ON PERSONNEL AND REMUNERATION OF THE BOARD OF DIRECTORS AND CEO

For further information about SkiStar's strategy, long-term interests, including financial and operational targets, and sustainability initiatives, see www.skistar.com/en/corporate and the annual report, which will be available at the same web address no later than three weeks before the AGM.

Successful implementation of the Company's business strategy and safeguarding of its long-term interests, including sustainability, are contingent on the Company having qualified employees. SkiStar must therefore be able to offer competitive remuneration. The Company's remuneration structure in accordance with these guidelines shall

- contribute to a consensus between senior executives and shareholders in terms of the long-term perspective of the operations, including promotion of the Company's business strategy, long-term interests and sustainability;
- ensure that senior executives receive remuneration that is on market conditions and competitive, enabling the Company to recruit, motivate and retain competent employees;
- require senior executives' compliance with the Company's code of conduct, policies and directives; and
- offer a salary based on the Company's financial targets and senior executives' individual responsibility, competence, performance, duties, experience and position.

Variable remuneration covered by these guidelines shall aim to promote the Company's business strategy and long-term interests, including sustainability.

Remuneration and forms of remuneration

The total compensation for senior executives shall be reviewed regularly, and at least annually, to ensure that it is market-based. To create well-balanced total compensation that strengthens both short and long-term performance management and target achievement, remuneration may include the following components:

fixed cash salary, variable remuneration/bonuses including undertaking to acquire shares, pension benefits and other benefits.

Fixed cash salary

Senior executives shall be offered a fixed cash salary that is individualised and market-based in relation to responsibility, competence, performance and regional salary levels. The fixed salary shall be determined annually, to apply during the period September to August.

Variable remuneration/bonus including undertaking to acquire shares

Senior executives may receive variable cash remuneration/bonuses, based on the current bonus programme for SkiStar's senior executives as decided by the Board for each financial year. Bonuses shall be related to measurable criteria defined by the Board with regard to the Company's performance on earnings per share, return on equity, operating margin and organic growth, measured for each financial year. If the Board considers that the business strategy and the Company's long-term interests, including sustainability, would be better promoted if the criteria were supplemented or changed, these guidelines allow such changes to be made.

The CEO's bonus may amount to a maximum of 60 percent of 3x the current monthly salary x12. However, the bonus may not exceed 60 percent of the current monthly salary x12. Other senior executives' bonuses may amount to a maximum of 60 percent of the current monthly salary x12.

The level of fulfilment of the criteria for awarding variable cash remuneration shall be determined at the end of the measurement period. The Remuneration Committee is responsible for the CEO's variable cash remuneration assessment. The CEO is responsible for other senior executives' variable cash remuneration assessment. Assessment of financial targets shall be based on the most

recent financial report published by the Company. Variable remuneration is paid in October of the year after it was earned.

Under an agreement with the Company, senior executives who receive bonuses shall undertake to acquire shares in the Company for long-term ownership (a period of at least three years), investing at least 1/3 of their post-tax bonuses. The purpose is to create involvement and engagement by offering senior executives the opportunity to become shareholders in a structured way. Through the criteria that determine the outcome as described above, incentives are created for senior executives to contribute to realisation of the Company's business strategy and safeguarding of the Company's long-term interests, including sustainability, and therefore to long-term value creation.

If a senior executive contravenes the above conditions by, for example, prematurely selling shares acquired under the conditions, the senior executive shall, in accordance with the agreement with the Company, be required to repay the full amount (including income tax but not social security contributions) paid for the shares acquired.

Pension benefits

Senior executives are entitled to pension arrangements under collective agreements and agreements with SkiStar. All pension obligations are defined-contribution plans. For the CEO, the Company pays pension contributions corresponding to 30 percent of the pensionable salary. For other senior executives, pension payments are made according to the customary ITP plan. Salary waivers can be used for increased pension provisions through one-time pension premium payments under salary and bonus sacrifice arrangements. The retirement age for senior executives who are Swedish citizens is 65. For others, it is as specified in their own country's pension rules.

Car benefits

Senior executives may be offered car benefits.





CONT. NOTE 8 INFORMATION ON PERSONNEL AND REMUNERATION OF THE BOARD OF DIRECTORS AND CEO

Other benefits

Senior executives may be entitled to health insurance as well as the benefits available to other SkiStar employees. The total value of the benefits may not exceed five percent of a senior executive's fixed cash salary.

In addition, the CEO may be entitled to private travel between home and work (including air travel), tax return assistance and supplementary health insurance in addition to collectively agreed health insurance.

Other

Employment conditions for senior executives who are subject to rules other than Swedish rules on pension and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account the overall purpose of these guidelines as far as possible.

Period of notice and termination benefits

The maximum period of notice is 24 months for termination of employment initiated by SkiStar and six months for termination by the senior executive. Termination benefits shall only be paid when termination of employment is initiated by the Company. Termination benefits shall only be paid up to the date on which the individual in question obtains other employment. Termination benefits are calculated on the fixed cash salary and are not pensionable.

Decision-making process to determine, review and implement the guidelines

The Board's Remuneration Committee is responsible for annually reviewing the need to revise the guidelines prior to the Board's proposal to the AGM (if applicable) for adoption. The Board shall prepare a proposal for new guidelines at least every fourth year and present it to the AGM for resolution. The guidelines shall be valid until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for senior executives, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the Company. The Board makes decisions on the salary and other terms of employment for the CEO on the basis of proposals

from the Remuneration Committee. The CEO makes decisions on the salary and other terms of employment for other senior executives and consults with the Remuneration Committee on this matter. The CEO and other senior executives are not present when the Board and the Remuneration Committee consider and make decisions on remuneration-related matters in so far as they are affected by these matters.

Derogation from the guidelines

The Board may, following a proposal from the Remuneration Committee, decide to make a temporary derogation from the guidelines, in whole or in part, if there are particular reasons to do so in an individual case and such derogation is necessary in order to serve the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparation of the Board's decisions in remuneration-related matters. This includes decisions to derogate from the guidelines. Such derogations must be reported and explained in the subsequent remuneration report.

Salary and terms of employment for other employees

In preparing the Board's proposal for these remuneration guidelines, the salaries and terms of employment for the Company's employees have been taken into account by including information about the employees' total remuneration, the components of the remuneration and the remuneration increase and rate of increase over time in the Board's decision support material for evaluating the reasonableness of the guidelines and limitations set out herein. The remuneration report on paid and outstanding remuneration covered by the guidelines will include a report on the development of the gap between Company management's remuneration and other employees' remuneration.

Changes from previous guidelines

The Board's proposal for guidelines for remuneration to senior executives ahead of the 2020 AGM is consistent with the guidelines resolved at the 2019 AGM, but the proposed new guidelines are more detailed than previously due to changes to the Swedish Companies Act and the Swedish Corporate Governance Code.

More information

On the date of the AGM's adoption of these remuneration guidelines for senior executives, SkiStar did not have any remuneration commitments not due for payment other than ongoing commitments to senior executives in accordance with the remuneration principles adopted at the 2019 AGM.

OUTCOMES IN RELATION TO GUIDELINES

See table on page 78. The retirement age for the CEO and other members of the management team follows the laws and collective agreements relevant to each country. The notice period and severance pay for the CEO and other members of the management team follow the above guidelines.

The guidelines for remuneration of senior executives established above by the 2020 AGM have been complied with. As stated in the Board's remuneration report, which was proposed for approval at the 2021 AGM, the Board – following a proposal from the Remuneration Committee – has exercised its right to decide on deviations from the guidelines wherever deemed necessary to meet the Company's long-term interests. The deviation referred to an increase in the CEO's fixed monthly salary during the current financial year, from March, as well as a change to the terms of any bonus payment for the CEO as of the current financial year. Following the decision taken by the Board, the CEO's bonus may amount to a maximum of 60 percent of 12 x the monthly salary, instead of the previous 3 x the monthly salary x 12.

PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES 2021/22

The Board proposes that the 2021 AGM resolves to establish guidelines for the remuneration of senior executives in line with the proposal stated in the administration report on pages 54–56.



NOTE 9 DEPRECIATION/AMORTISATION OF ASSETS

Group	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Capitalised expenditure on IT systems	12,892	12,592
Rights of tenancy and similar rights	3,624	3,322
Land and buildings, land improvements	80,771	70,493
Plant, machinery and equipment	188,269	197,557
Leases ¹⁾	87,877	89,296
	373,432	373,260
PARENT COMPANY		
Capitalised expenditure on IT systems	12,892	12,592
Rights of tenancy and similar rights	3,090	1,809
Land and buildings, land improvements	31,980	27,249
Plant, machinery and equipment	111,557	114,884
	159,520	156,534

1) Leases are only reported at Group level. See Note 7.

NOTE 10 PROFIT/LOSS FROM INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

PARENT COMPANY	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Impairment ¹⁾	–152,560	—
Dividend, Group companies	11,811	79,089
Sales, SkiStar Lodge Hundfjället	5,448	33
	–135,301	79,122

1) Impairment of shares 2020/21 in St. Johanner Bergbahnen GmbH and World Cup Åre AB.

NOTE 11 TAXES

RECOGNISED IN PROFIT/LOSS

Group	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Current tax expense		
Tax for the period	–68,141	–66,283
Adjustment of tax relating to prior years	–5,908	–3,615
	–74,049	–69,898
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	61,507	517
Deferred tax arising from changes in tax rates	—	6,036
	61,507	6,553
Total tax expense recognised, Group	–12,542	–63,345

RECOGNISED IN PROFIT/LOSS

PARENT COMPANY	01/09/2020 –31/08/2021	01/09/2019 –31/08/2020
Current tax expense	–60,096	–44,450
Adjustment of tax relating to prior years	45	–3,377
	–60,051	–47,827
Deferred tax expense (-)/tax income (+)		
Deferred tax on temporary differences	–866	2,323
Deferred tax arising from changes in tax rates	—	5,745
Other deferred tax	—	—
	–866	8,068
Total tax expense recognised, Parent	–60,917	–39,759

RECONCILIATION OF EFFECTIVE TAX

Group	01/09/2020–31/08/2021		01/09/2019–31/08/2020	
	Percent	Amount	Percent	Amount
Profit/loss before tax		246,174		350,059
Tax according to Parent's current tax rate	21.4	–52,681	21.4	–74,913
Difference in tax rates in foreign operations	—	–488	—	–539
Effect of change in tax rate	—	—	–1.7	6,036
Non-deductible expenses	–17.4	–42,822	0.3	–1,007
Non-taxable income ¹⁾	–29.1	71,671	–3.0	10,595
Tax attributable to prior years	2.4	–5,908	1.0	–3,615
Unutilised loss carryforwards	3.6	–8,837		
Change in temporary differences in non-current assets	—	–39	–0.1	491
Other	14.2	–34,944	0.1	–393
Recognised effective tax	29.9	–74,049	17.9	–63,345

1) SEK 64 (16) million of non-taxable income relates to the sale of shares in companies.

RECONCILIATION OF EFFECTIVE TAX

PARENT COMPANY	01/09/2020–31/08/2021		01/09/2019–31/08/2020	
	Percent	Amount	Percent	Amount
Profit/loss before tax		149,510		315,952
Tax according to Parent's current tax rate	21.4	–31,995	21.4	–67,614
Non-deductible expenses	22.6	–33,720	0.4	–1,268
Non-taxable income ²⁾	–3.0	–4,499	–5.5	17,268
Tax attributable to prior years	—	45	1.1	–3,377
New tax rate	—	—	–1.8	5,745
Change in temporary differences in non-current assets	–0.7	1,120	–3.0	9,543
Other	—	—	—	–56
Recognised effective tax	40.2	–60,051	12.6	–39,759

2) SEK 12 (17) million of non-taxable income relates to dividends from subsidiaries and associates.





CONT. NOTE 11 TAX

RECOGNISED IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group, 31 Aug 2021	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	—	-140,053	-140,053
Unutilised loss carryforwards	13,088	—	13,088
Derivatives	2,162	—	2,162
	15,250	-140,053	-124,803
Offset	-13,605	13,605	—
Net deferred tax assets/liabilities	1,645	-126,448	-124,803

Group, 31 Aug 2020	Deferred tax assets	Deferred tax liabilities	Net
Non-current assets	—	-189,531	-189,531
Derivatives	3,167	—	3,167
	3,167	-189,531	-186,364
Offset	-3,167	3,167	—
Net deferred tax liabilities	—	-186,364	-186,364

RECOGNISED IN BALANCE SHEET

Parent Company, 31 Aug 2021	Deferred tax assets	Deferred tax liability	Net
Non-current assets	—	-150,960	-150,960
Derivatives	675	—	675
	675	-150,960	-150,285
Offset	-2,162	2,162	—
Net deferred tax liabilities	-1,487	-148,798	-150,285

Parent Company, 31 Aug 2020	Deferred tax assets	Deferred tax liability	Net
Non-current assets	—	-151,099	-151,099
Derivatives	3,167	—	3,167
	3,167	-151,099	-147,932
Offset	-3,167	3,167	—
Net deferred tax liabilities	—	-147,932	-147,932

CHANGES IN DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSS CARRYFORWARDS

Group 31/08/2021	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-191,018	61,108	—	-129,910
IFRS 16	1,487	1,458	—	2,945
Derivatives	3,167	482	-1,487	2,162
	-186,364	63,048	-1,487	-124,803

PARENT COMPANY 31/08/2021	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-151,099	-1,347	—	-152,446
Derivatives	3,167	482	-1,487	2,162
	-147,932	-865	-1,487	-150,284

Group 31/08/2020	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-197,114	6,096	—	-191,018
IFRS 16	—	1,487	—	1,487
Derivatives	3,466	1,191	-1,490	3,167
Other	0	—	—	0
	-193,648	8,774	-1,490	-186,364

PARENT COMPANY 31/08/2020	Amount at start of year	Recognised in income statement	Recognised in other comprehensive income	Amount at end of year
Non-current assets	-148,784	-2,315	—	-151,099
Derivatives	3,466	1,191	-1,490	3,167
	-145,318	-1,124	-1,490	-147,932

The operations had no remaining tax losses at the end of the financial year. The company Experium AB acquired during the year had an opening tax loss of SEK 63,676 thousand, but a barrier due to a change of ownership prevents SkiStar from utilising this loss within a five-year period. In the Austrian operations, there is an unutilised loss carryforward of SEK 15 (10) million, with a tax effect of SEK 3.75 (2.5) million. Up to 75 percent of the value of the Austrian losses can be used over the life of the company.

NOTE 12 EARNINGS PER SHARE

NUMBER OF SHARES BEFORE DILUTION	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Total number of shares, 1 September	78,376,056	78,376,056
Weighted average number of basic shares during the year	78,376,056	78,376,056
BASIC EARNINGS PER SHARE		
Profit/loss for the year	238,119	291,013
Average number of shares outstanding	78,376,056	78,376,056
Basic earnings per share	3.04	3.71

Calculation of earnings per share is based on profit for the year attributable to shareholders of the Parent, which amounted to SEK 238,119 (291,014) thousand, and on the weighted average number of shares outstanding, which was 78,376,056 (78,376,056). There are no financial instruments that could have dilutive effects.



NOTE 13 **INTANGIBLE ASSETS**

Group	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2019	200,969	137,757	96,151	434,877
Capitalised expenditure	10,863	79	—	10,942
Merger	—	-19,094	—	-19,094
Disposals	-17,689	-554	—	-18,243
Reclassifications	2,510	—	—	2,510
Translation differences	—	-4,884	-6,209	-11,093
Closing balance, 31 Aug 2020	196,653	113,304	89,942	399,899
Opening balance, 1 Sep 2020	196,653	113,304	89,942	399,899
Capitalised expenditure	10,547	27	—	10,573
Merger	—	—	—	—
AHFS	—	-626	—	-626
Business combinations	141	—	—	141
Disposals	—	—	-2,400	-2,400
Reclassifications	1,129	2,729	—	3,858
Translation differences	—	578	777	1,355
Closing balance, 31 Aug 2021	208,469	116,012	88,319	412,800
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2019	-169,626	-73,298	—	-242,924
Merger	—	19,094	—	19,094
Disposals	17,688	—	—	17,688
Depreciation/amortisation	-12,592	-3,322	—	-15,914
Translation differences	—	3,766	—	3,766
Closing balance, 31 Aug 2020	-164,530	-53,760	—	-218,290
Opening balance, 1 Sep 2020	-164,530	-53,760	—	-218,290
Depreciation/amortisation	-12,892	-3,591	—	-16,483
Merger	—	—	—	—
AHFS	—	600	—	600
Business combinations	-141	—	—	-141
Disposals	—	—	—	—
Translation differences	—	-374	—	-374
Closing balance, 31 Aug 2021	-177,563	-57,125	—	-234,688
Carrying amount, 31 Aug 2020	32,123	59,544	89,942	181,609
Carrying amount, 31 Aug 2021	30,906	58,887	88,319	178,112

PARENT COMPANY	Capitalised expenditure on IT systems	Rights of tenancy and similar rights	Goodwill	Total
Accumulated cost				
Opening balance, 1 Sep 2019	200,969	22,259	18,442	241,670
Capitalised expenditure	10,863	79	—	10,942
Merger	—	-19,094	—	-19,094
Disposals	-17,689	-554	—	-18,243
Reclassifications	2,510	—	—	2,510
Closing balance, 31 Aug 2020	196,653	63,839	18,442	278,934
Opening balance, 1 Sep 2020	196,653	63,839	18,442	278,934
Capitalised expenditure	10,547	27	—	10,574
Merger	—	—	—	—
Disposals	—	—	—	—
Reclassifications	1,128	2,729	—	3,857
Closing balance, 31 Aug 2021	208,328	66,595	18,442	293,365
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2019	-169,626	-20,373	-18,442	-208,441
Disposals	17,688	554	—	18,242
Depreciation/amortisation	-12,592	-1,809	—	-14,401
Closing balance, 31 Aug 2020	-164,530	-21,628	-18,442	-204,600
Opening balance, 1 Sep 2020	-164,530	-21,628	-18,442	-204,600
Disposals	—	—	—	—
Depreciation/amortisation	-12,892	-3,091	—	-15,983
Closing balance, 31 Aug 2021	-177,422	-24,719	-18,442	-220,583
Carrying amount, 31 Aug 2019	32,123	42,211	—	74,334
Carrying amount, 31 Aug 2020	30,906	41,876	—	72,782

A total of SEK 292 (2,519) thousand of the year's capitalised expenditure and reclassifications relates to internally generated intangible assets in the Parent Company and the Group.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL**THE FOLLOWING CASH-GENERATING UNITS HAVE GOODWILL VALUES**

	31/08/2021	31/08/2020
Sälen	1,510	3,910
Åre	16,546	16,546
Hemsedal	13,729	13,613
Trysil	56,534	55,873
Fjällförsäkringar AB	—	—
	88,319	89,942

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. There was no indication of impairment in the 2021 testing. The impairment testing was based on the calculated value in use. The value in use is obtained from projected cash flows for a five-year period based on the Company's business plan. The key assumptions in the five-year plan are growth, revenue, profit and cash flow per cash-generating unit. The assumptions are based on historical results and the Company's own plans.

The cash flow projections after the first five years are based on an annual growth rate of 1 (1) percent. The projected cash flows for each cash-generating unit have been discounted to the present value using a pre-tax discount rate of 8 (8) percent.

Goodwill has been allocated to each destination's Operation of Mountain Resorts segment as a cash-generating unit. The cash-generating units correspond to the identifiable groups of assets that generate cash flows independently of other assets.

No reasonably possible changes in the assumptions and estimates would give rise to impairment.



NOTE 14 **PROPERTY, PLANT AND EQUIPMENT**

Group	Land and buildings, Land improvements	Plant, machinery and equip- ment	Construction in progress	Total
Accumulated cost				
Opening balance, 1 Sep 2019	2,996,466	3,955,044	460,497	7,412,007
Acquisitions	74,496	89,013	543,803	707,312
Merger	1,449	23,215		24,664
Business combinations	1,496	—	—	1,496
Disposals	-71,554	-175,608	-47,423	-294,585
Reclassifications etc.	117,076	191,412	-327,072	-18,584
Translation differences	-79,039	-123,659	-7,317	-210,015
Closing balance, 31 Aug 2020	3,038,941	3,936,202	622,488	7,597,631
Opening balance, 1 Sep 2020	3,038,941	3,936,202	622,488	7,597,631
Acquisitions	70,645	111,480	211,082	393,207
Business combinations	707,332	134,766	2,692	844,790
Disposals	-381,394	-223,959	-354,205	-959,558
Reclassification to assets held for sale	-277,019	-585,698		-862,717
Reclassifications etc.	155,452	17,607	-180,543	-7,484
Translation differences	5,467	3,770	1,018	10,255
Closing balance, 31 Aug 2021	3,319,424	3,394,167	302,532	7,016,124
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2019	-1,039,220	-2,725,529	—	-3,764,749
Business combinations	—	—	—	—
Disposals	25,934	172,379	—	198,313
Depreciation/amortisation	-70,493	-197,557	—	-268,050
Translation differences	25,224	98,411	—	123,635
Closing balance, 31 Aug 2020	-1,058,555	-2,652,296	—	-3,710,851
Opening balance, 1 Sep 2020	-1,058,555	-2,652,296	—	-3,710,851
Business combinations	-201,355	-98,454	—	-299,809
Disposals	122,202	215,148	—	337,350
Depreciation/amortisation	-80,771	-182,794	—	-263,565
Reclassification to assets held for sale	110,946	472,565		583,511
Reclassifications etc.	—	—	—	—
Translation differences	-1,505	-49,857	—	-51,361
Closing balance, 31 Aug 2021	-1,109,038	-2,295,688	—	-3,404,725
Carrying amount, 31 Aug 2020	1,980,385	1,283,906	622,488	3,886,780
Carrying amount, 31 Aug 2021	2,210,387	1,098,479	302,532	3,611,397





CONT. NOTE 14 PROPERTY, PLANT AND EQUIPMENT

PARENT COMPANY	Land and buildings, land improvements	Plant, machinery and equipment	Construction in progress	Total
Accumulated cost				
Opening balance, 1 Sep 2019	1,361,184	2,180,480	201,340	3,743,004
Acquisitions	20,138	68,742	52,640	141,520
Merger	1,449	23,215		24,664
Disposals	-10,846	-142,397	-11,194	-164,437
Reclassifications	28,253	123,987	-165,944	-13,704
Closing balance, 31 Aug 2020	1,400,178	2,254,027	76,842	3,731,047
Opening balance, 1 Sep 2020	1,400,178	2,254,027	76,842	3,731,047
Acquisitions	36,047	55,116	122,289	213,452
Disposals	-676	-210,250	-10,615	-221,541
Reclassifications	3,766	7,715	-17,997	-6,516
Closing balance, 31 Aug 2021	1,439,314	2,106,608	170,520	3,716,442
Accumulated amortisation and impairment				
Opening balance, 1 Sep 2019	-554,162	-1,466,475	—	-2,020,637
Disposals	6,465	140,850	—	147,315
Merger	—	-12,751	—	-12,751
Reclassifications	98	-99	—	-1
Depreciation/amortisation	-27,249	-114,884	—	-142,133
Closing balance, 31 Aug 2020	-574,848	-1,453,359	—	-2,028,207
Opening balance, 1 Sep 2020	-574,848	-1,453,359	—	-2,028,207
Disposals	—	202,668	—	202,668
Merger	—	—	—	0
Reclassifications	—	—	—	0
Depreciation/amortisation	-31,980	-111,557	—	-143,537
Closing balance, 31 Aug 2021	-606,828	-1,362,248	—	-1,969,076
Carrying amount, 31 Aug 2020	825,330	800,668	76,842	1,702,840
Carrying amount, 31 Aug 2021	832,486	744,360	170,520	1,747,366

	Land and buildings, land improvements	Plant, machinery and equipment
Subcomponents, Group		
Buildings	1,192,256	—
Land	375,195	—
Land improvements	412,934	—
Machinery and technical installations	—	1,265,223
Equipment	—	18,684
Total carrying amount, 31 Aug 2020	1,980,385	1,283,907
Buildings	1,501,621	—
Land	333,016	—
Land improvements	375,750	—
Machinery and technical installations	—	1,057,356
Equipment	—	41,122
Total carrying amount, 31 Aug 2021	2,210,387	1,098,479
	31/08/2021	31/08/2020
Reported value of land for properties in Sweden	183,086	182,493
Carrying amount, slopes in Sweden	249,351	250,819
	Land and buildings, land improvements	Plant, machinery and equipment
Subcomponents, Parent		
Buildings	379,222	—
Land	158,436	—
Land improvements	287,672	—
Machinery and technical installations	—	800,668
Equipment	—	—
Total carrying amount, 31 Aug 2020	825,330	800,668
Buildings	383,052	—
Land	162,566	—
Land improvements	286,867	—
Machinery and technical installations	—	744,360
Equipment	—	—
Total carrying amount, 31 Aug 2021	832,486	744,360
	31/08/2021	31/08/2020
Reported value of land for properties	162,566	158,436
Carrying amount, slopes	249,351	250,819





NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

SPECIFICATION OF PARENT COMPANY'S PARTICIPATIONS IN GROUP COMPANIES

	31/08/2021	31/08/2020		No. shares	Shareholding, %	31/08/2021 Carrying amount	31/08/2020 Carrying amount
			SUBSIDIARY/CORP. ID/REG'D OFFICE				
Opening balance	299,377	379,497	Sälens Högfjällshotell AB/556200-6311/Municipality of Malung-Sälen	2,600,000	100.0	9,427	9,427
-Shareholder contributions	98	5,000	SkiOnline AB/556098-6381/Municipality of Malung-Sälen	2,000	100.0	—	—
-Merged companies	—	-54,636	SkiStar Lodge Hundfjället AB / 556086-0990 / Municipality of Malung-Sälen	42 000	100.0	—	3,000
-Disposal	-3,000	-30,484	Vintertorget i Sälen KB/969618-0786/Municipality of Malung-Sälen	198	99.0	198	198
-Acquisitions	100	—	SkiStar Norge AS/NO977107520/Hemsedal	5,000	100.0	130,898	130,898
-Reclassification	—	—	Fageråsen Fjellbygg AS / NO 925167150 / Trysil	800	100.0	—	—
-Impairment	-95,158	—	Knettsetra AS / NO971219807 / Trysil	200	100.0	—	—
Closing balance	201,417	299,377	Trysil booking AS / NO989566342 / Trysil	100	100.0	—	—
			Hemsedal booking AS / NO995699656 / Hemsedal	1,000	100.0	—	—
St. Johanner Bergbahnen GmbH			Hammarbybacken AB / 556650-2570 / Municipality of Malung-Sälen	910	91.0	1	1
SEK million ¹⁾	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020	Fjällinvest AB / 556426-8380 / Municipality of Malung-Sälen	161,000	100.0	25,279	25,279
Revenue	66,459	98,404	Hundfjället Servicecenter AB / 556675-5913 / Municipality of Malung-Sälen	10,000	100.0	—	—
Loss	-16,668	-12,700	Hundfjället Centrum AB / 556233-4549 / Municipality of Malung-Sälen	1,000	100.0	—	—
Comprehensive income	-16,658	-12,719	Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	1,425	100.0	—	—
Non-current assets	328,230	352,864	Fjällinvest Norge AS / NO993753084 / Trysil	21,054	100.0	—	—
Current assets	47,627	43,353	Fageråsen Invest AS / NO990375410 / Trysil	850	85.0	—	—
Non-current liabilities	20,614	12,503	Hemsedal Fjellinvest AS / NO922690669 / Hemsedal	500,500	100.0	—	—
Current liabilities	210,373	219,899	Hemsedal Fjellandsbyn AS/NO985289158/Hemsedal	100	100.0	—	—
NCI share of profit/loss	-5,274	-4,027	Vemdalen Logi AB/556208-7634/County of Jämtland	44,000	100.0	—	—
NCI share of equity	14,301	47,823	Björnrikegården Nya AB / 556914-1467 / Municipality of Stockholm	500	100.0	—	—
			SkiStar Åre Mark AB/559023-2830/Municipality of Malung-Sälen	50,000	100.0	—	—
			SkiStar Åre Logi AB / 559004-6446 / Municipality of Malung-Sälen	500	100.0	—	—
			Fjällmedia AB/556755-1055/Municipality of Malung-Sälen	1,000	100.0	100	100
			SkiStar Snöproduktion AB / 556952-7293 / Municipality of Åre	50,000	100.0	1,405	1,405
			SkiStar Invest AB / 559005-8615 / Municipality of Malung-Sälen	500	100.0	50	50
			SkiStar Fastighetsservice AB / 556250-6997 / Municipality of Malung-Sälen	2,000	100.0	842	842
			Entréhuset AB / 556756-7135 / Municipality of Malung-Sälen	20,000	100.0	17,311	17,311
			Experiumtorget AB / 556 / Municipality of Malung-Sälen	1,000	100.0	198	—
			Eveline Fastighets AB / 556805-9579 / Municipality of Malung-Sälen	500	100.0	12,708	12,708
			World Cup Åre AB / 556749-7119 / Municipality of Åre	1,000	100.0	3,000	5,340
			St. Johanner Bergbahnen GmbH / FN 42804 y / St. Johann in Tirol, Austria		68.3	—	92,818
						201,417	299,377

1) The subsidiary St. Johanner Bergbahnen GmbH has non-controlling interests that are significant for SkiStar. See table above.



NOTE 16 PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

Group	31/08/2021	31/08/2020
Opening balance	394,684	393,166
-Acquisitions	514,016 ¹	17,270
-Shareholder contributions	0	4,500
-Reclassification	—	—
-Disposals	-169,525 ²⁾	—
-Dividend	0	-12,466
-Translation differences	1,348	-10,523
-Share of profit/loss	22,045	2,736
Closing balance	762,568	394,684

- 1) Of which SEK 512 million relates to shareholder contribution to Skiab Invest AB.
2) Relates to sale of associated companies Mountain Resort Trysil AS, Skiab Invest AS, Trysil Suiter AS and Trysil Hotellutvikling AS, which were sold to the previously jointly owned associated company Skiab Invest AB. Ski Invest Sälen AB was acquired through a step acquisition during the year.

PARENT COMPANY	31/08/2021	31/08/2020
Opening balance	2,812	2,812
-Acquisitions	—	—
-Reclassification	—	—
-Impairment	—	—
Closing balance	2,812	2,812

SPECIFICATION OF THE GROUP AND PARENT COMPANY'S SHARES IN ASSOCIATES AND JOINT VENTURES

Associates and joint ventures / corp. ID no. / reg'd office	Revenue	Loss	Non- current assets	Current assets	Non- current liabilities	Current liabilities	Equity	Share- holding, %	31/08/2021	
									Group's share of equity	Carrying amount in Parent
Associates:										
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	23,556	7,141	119,792	18,467	11,129	50,375	76,755	45	35,644	—
Åre Destination AB / 556171-5961 / Municipality of Åre	11,927	82	16,059	4,585	14,803	3,372	2,469	49	1,281	1,970
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen	16,831	-746	92,038	-7,957	52,224	2,126	29,731	50	11,568	—
Trysilguidene AS / NO965147659 / Trysil	14,163	-4,799	32,362	6,186	13,769	7,051	17,728	35	3,887	—
HA Aktiviteter AB / 556730-0065 / Municipality of Här- jedalen	—	-78	389	247	700	—	-64	42	-62	42
Hemsedal Bioenergi AS / NO993016632 / Hemsedal	1,757	-513	6,058	2,219	8,956	523	-1,202	33	344	—
Skihytta Trysil AS / NO987561025 / Trysil	6,097	-3,702	2,031	1,784	4,335	1,504	-2,025	35	176	—
Scandinavian Mountains AB / 556973-5631 / Muni- cipality of Malung-Sälen	42,529	-20,122	556,935	14,000	11,027	324,574	235,334	39	89,896	—

	Revenue	Profit/loss 3)	Non-current assets	Current assets 4)	Non-current liabilities	Current liabilities	Equity	Shareholding, %	Group's share of equity	Carrying amount in Parent	3) Profit/loss includes:			4) Current assets include:
											Impairment	Interest income (+) /	Tax income (+) / tax expense (-)	Cash and cash equivalents
												Interest expense (-)		
Joint ventures:														
Skitorget AS / NO994110527 / Trysil	1,383	-1,225	7,414	4,875	377	196	11,717	50	10,184	—	-414	9	78	3,593
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen	5,981	70,234	2,091,054	270,550	1,121,545	52,687	1,187,372	50	600,415	—	-352	-3,479	-4,363	118,396
Staven Naeringseiendom AS / NO988357014 / Hemsedal	3,385	-630	48,739	1,065	—	46,457	3,347	50	7,115	—	-1,204	-1,052	-80	934
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalen	2,708	256	43,883	1,204	35,072	1,702	8,313	19	1,330	—	-1,019	-519	—	914
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	1,598	341	11,566	4,255	8,100	2,713	5,008	20	790	800	—	—	—	—
									762,568	2,812				





CONT. NOTE 16 PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

SPECIFICATION OF THE GROUP AND PARENT COMPANY'S SHARES IN ASSOCIATES AND JOINT VENTURES

ASSOCIATES AND JVs / CORP ID / REG'D OFFICE	Revenue	Loss	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Shareholding, %	Group's share of equity	31/08/2020				
										Carrying amount in Parent				
Associates:														
Lima Transtrand Fastighets AB / 556258-6817 / Municipality of Malung-Sälen	22,031	3,436	126,848	10,757	60,869	7,123	69,613	45	32,929	—				
Åre Destination AB / 556171-5961 / Municipality of Åre	14,181	60	16,095	4,787	14,800	3,695	2,387	49	1,228	1,970				
Fjällvärme i Sälen AB / 556536-1895 / Municipality of Malung-Sälen	14,417	242	85,353	-7 586	47,760	7,530	22,477	50	11,941	—				
Knettsetra AS / NO971219807 / Trysil	14,258	-1,339	1,625	2,397	2,147	1,716	160	49	3,512	—				
Trysilguidene AS / NO965147659 / Trysil	30,957	2,977	32,858	5,827	8,341	7,107	23,237	35	5,518	—				
HA Aktiviteter AB / 556730-0065 / Municipality of Härjedalen	—	-79	452	262	700	—	14	42	-29	42				
Hemsedal Bioenergi AS / NO993016632 / Hemsedal	2,031	-181	5,644	1,190	7,530	-22	-675	33	527	—				
Skihytta Trysil AS / NO987561025 / Trysil	10,236	-475	2,336	3,159	2,578	1,340	1,578	35	1,224	—				
Scandinavian Mountains AB / 556973-5631 / Municipality of Malung-Sälen	39,537	-21,130	577,338	22,347	331,027	14,956	253,702	39	97,645	—				
										3) Profit/loss includes:		4) Current assets include:		
	Revenue	Profit/loss 3)	Non-current assets	Current assets 4)	Non-current liabilities	Current liabilities	Equity	Share-holding, %	Group's share of equity	Carrying amount in Parent	Impairment	Interest income (+)/ Interest expense (-)	Tax income (+) / Tax expense (-)	Cash and cash equivalents
Joint ventures:														
Ski Invest Sälen AB / 556755-1022 / Municipality of Malung-Sälen	98,675	-9,989	457,641	32,121	123,310	233,557	132,895	50	83,098	—	-23,977	-6,916	1,041	17,526
Skitorget AS / NO994110527 / Trysil	1,700	-309	7,198	6,334	328	32	13,171	50	9,689	—	-300	62	-223	6,280
Mountain Resort Trysil AS / NO996284115 / Trysil	83,565	-5,152	311,061	41,632	255,825	9,944	86,924	50	89,641	—	-13,713	-8,386	-1,946	16,258
Skiab Invest AB / 556848-5220 / Municipality of Malung-Sälen	28,832	26,347	68,528	62,551	7	19,283	111,789	50	55,547	—	-1,094	260	24	37,753
Skiab Invest AS / NO915659454 / Trysil	15,549	-470	282,755	14,196	285,670	1,554	9,727	50	4,256	—	-10,434	-8,939	4,145	10,657
Staven Naeringseiendom AS / NO988357014 / Hemsedal	3,303	356	29,564	17,097	—	42,722	3,939	50	6,821	—	-958	-614	-82	14,936
Trysil Suiter AS / NO991276068 / Trysil	—	-56	1,696	—	2,126	518	-948	50	-268	—	—	—	—	—
Björnrike Torg AB / 559069-4161 / Municipality of Härjedalen	2,410	237	45,120	-9	35,885	1,168	8,058	19	1,330	—	-1,047	-586	—	-324
Tegefjäll Linbane AB / 556659-6861 / Municipality of Åre	1,575	213	12,516	3,618	8,775	2,693	4,666	20	790	800	-949	-309	-58	1,556
Trysil Hotellutvikling AS / NO987054409 / Trysil	116,134	-2,037	340,379	23,954	383,593	15,574	-34,834	50	-10,713	—	-12,333	-8,046	-1,026	5,712
										394,684	2,812			





CONT. NOTE 16 PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

Business description

Lima Transtrand Fastighets AB/556258-6817/Sälen	Owns properties in Sälen, with accommodation units that can be booked through SkiStar. SkiStar does not have exclusive rights to these accommodation units.
Åre Destination AB, 556171-5961, Åre	Collaborates with destination companies in Åre.
Fjällvärme i Sälen AB/556536-1895/Sälen	Supplies district heating to mountain facilities in Sälen.
Trysilguidene AS / NO965147659 / Trysil	Operates independent ski school in Trysil, whose services can be booked through SkiStar.
Skihytta Trysil AS, NO987561025/Trysil	Owns properties in Trysil, with accommodation units that can be booked through SkiStar. SkiStar does not have exclusive rights to these accommodation units.
Scandinavian Mountains AB/556973-5631/Sälen	Operates the airport between Sälen and Trysil.
Joint ventures:	
Skiab Invest AB, 556848-5220/ Sälen	Parent company for property group with focus on hotel properties and development rights.
Tegefjäll Linbane AB/556659-6861	Owns lift in Tegefjäll, Åre, leased by SkiStar.

NOTE 17 **OTHER PARTICIPATIONS AND SECURITIES HELD AS NON-CURRENT ASSETS**

Group	31/08/2021	31/08/2020
Available-for-sale financial assets		
Opening cost	34,935	36,874
-Acquisitions	132	133
-Disposals	-194	-1,677
-Reclassification	100	-236
-AHFS (St. Johann)	-1,184	—
-Translation difference	-5	-159
Closing balance	33,784	34,935
PARENT COMPANY		
Available-for-sale financial assets		
Opening cost	19,211	20,247
-Acquisitions	—	—
-Disposals	-120	-800
-Reclassifications	—	-236
Closing balance	19,091	19,211
Group		
Participations in tenant-owner associations	22,308	22,208
Other securities held as non-current assets	10	720
Shares and participating interests	11,466	12,007
Closing balance	33,784	34,935
PARENT COMPANY		
Participations in tenant-owner associations	8,261	8,261
Shares and participating interests	10,830	10,950
Closing balance	19,091	19,211

NOTE 18 **OTHER NON-CURRENT RECEIVABLES**

Group	31/08/2021	31/08/2020
Opening cost	220,290	245,794
-Additional receivables	36,682	16,556
-Settlement of receivables	-185,855	-15,336
-Reclassification, other	0	-11,027
-Translation difference	1,773	-15,697
Closing balance	72,890	220,290
PARENT COMPANY		
Opening cost	13,663	22,012
-Additional receivables	1,893	2,678
-Settlement of receivables	-355	—
-Reclassification, other	-1,486	-11,027
Closing balance	13,715	13,663
Group		
Receivables from associates	700	163,399
Other non-current interest-bearing receivables	36,670	36,804
Other non-current non-interest-bearing receivables	35,519	20,086
Closing balance	72,889	220,290
PARENT COMPANY		
Receivables from associates	700	700
Other non-current interest-bearing receivables	13,015	12,964
Other non-current non-interest-bearing receivables	—	—
Closing balance	13,715	13,664

Receivables from associates and others are primarily loan receivables.

NOTE 19 **INVENTORIES**

Group	31/08/2021	31/08/2020
Goods for resale	121,114	127,308
Participations in tenant-owner associations	77,560	102,687
Closing balance	198,674	229,995
PARENT COMPANY		
Goods for resale	95,553	102,084
Closing balance	95,553	102,084

NOTE 20 **TRADE RECEIVABLES**

Trade receivables are recognised net of the Group's established and expected credit losses for the year, which were SEK 787 (485) thousand. Established losses accounted for SEK 211 (381) thousand of the amount. The Parent Company's established and expected credit losses were SEK 480 (238) thousand, with established losses amounting to SEK 137 (144) thousand. The Group recovered previous established and expected credit losses of SEK 14 (255) thousand during the year. The Group's provision for doubtful debts was SEK 576 (104) thousand, an increase of SEK 472 thousand during the financial year. The Group's trade receivables from related parties amounted to SEK 96 (14) thousand. Further information on related party transactions can be found in Note 36. The credit quality of receivables that are not past due is considered good.

AGE ANALYSIS OF PAST DUE BUT NOT IMPAIRED TRADE RECEIVABLES

Group	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
30-90 days	4,113	2,623
91-180 days	2,133	1,192
Closing balance	6,246	3,815
PARENT COMPANY		
	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
30-90 days	1,676	1,378
91-180 days	-82	287
Closing balance	1,594	1,665

NOTE 21 **OTHER CURRENT RECEIVABLES**

Group	31/08/2021	31/08/2020
VAT recoverable	35,950	23,720
Current loan receivables	12,441	78,595
Tax account	1,957	1,033
Other	17,605	24,623
Closing balance	67,953	127,971
PARENT COMPANY		
	31/08/2021	31/08/2020
VAT recoverable	9,379	4,425
Current loan receivables	12,441	46,916
Tax account	48	56
Other	3,964	2,413
Closing balance	25,832	53,810

NOTE 22 **PREPAID EXPENSES AND ACCRUED INCOME**

Group	31/08/2021	31/08/2020
Prepaid rental charges and lease payments	54,751	16 361
Prepaid insurance	17,854	3,971
Accrued interest income	2,446	2,484
Prepaid site work	—	28,744
Other items	22,677	46,540
Closing balance	97,728	98,100
PARENT COMPANY		
	31/08/2021	31/08/2020
Prepaid rental charges and lease payments	32,548	33,655
Prepaid insurance	16,544	2,583
Accrued interest income	517	655
Other items	17,773	36,502
Closing balance	67,382	73,395

NOTE 23 **EQUITY**

Group	31/08/2021	31/08/2020
Translation reserve		
Opening translation reserve	-66,217	-9,609
Translation differences for the year	3,815	-56,608
Closing translation reserve	-62,402	-66,217
GROUP		
Hedging reserve		
Opening hedging reserve	-7,348	-12,634
Value of hedging reserve	6,757	6,776
Deferred tax	-1,407	-1,490
Closing hedging reserve	-1,997	-7,348
PARENT COMPANY		
	31/08/2021	31/08/2020
Hedging reserve		
Opening hedging reserve	-7,348	-12,634
Value of hedging reserve	6,639	6,776
Deferred tax	-1,368	-1,490
Closing hedging reserve	-2,078	-7,348

GROUP**Other contributed capital**

This item relates to capital contributed by shareholders. It also includes share premium reserves transferred to the statutory reserve at 31 August 2006. Future transfers to the share premium reserve on and after 1 September 2006 are also recognised as contributed capital.

Translation reserve

The translation reserve comprises all exchange differences arising on translation of foreign subsidiaries' financial statements prepared in a currency other than the Group's presentation currency. The presentation currency for the Group and Parent Company is the Swedish krona.



CONT. NOTE 23 EQUITY

Hedging reserve

The Group had interest rate derivatives of SEK 818 million and NOK 200 million during the financial year, with remaining maturities of 2 to 6 years. Hedging has ceased with effect from the third quarter 2015/16. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 35.

Retained earnings and profit for the year

Retained earnings comprises the Parent Company's profit and post-acquisition profit for subsidiaries and associates. Previous provisions to the statutory reserve, excluding transferred share premium reserves, are included in retained earnings.

Dividend

After the reporting date, the Board has proposed that a dividend of SEK 1.50 per share (total SEK 117,564,084) be distributed to the Parent Company's shareholders. The dividend proposal will be presented for adoption by the AGM on 11 December 2021. No dividend was paid in 2020.

PARENT COMPANY**Restricted equity**

Restricted funds may not be reduced through the distribution of dividends.

Statutory reserve

The requirement to make transfers to the statutory reserve was removed from the Swedish Companies Act with effect from 1 January 2006.

Development expenditure fund

The fund is for restricted funds arising from the capitalisation of proprietary intangible assets.

Non-restricted equity**Share premium reserve**

When shares are issued at a premium, i.e., when the amount paid for the shares exceeds their nominal value, the portion corresponding to the excess amount is transferred to the share premium reserve. With effect from 1 January 2006, the share premium reserve is classified as non-restricted equity.

Hedging reserve

During the financial year, interest was hedged through interest rate derivatives of SEK 500 million, with remaining maturities of 2 to 7 years. Hedging has ceased with effect from the third quarter 2015/16. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. See also Notes 32 and 35.

Retained earnings

Retained earnings consist of the previous year's non-restricted equity after distribution of dividends. Retained earnings and profit for the year constitute total non-restricted equity – that is, the amount available for distribution to shareholders.

Number of shares	31/08/2021	31/08/2020
Number of Class A shares outstanding at start of period	3,648,000	3,648,000
Number of Class B shares outstanding at start of period	74,728,056	74,728,056
Number of shares outstanding at end of period	78,376,056	78,376,056

A 2:1 share split was carried out in the 2018/19 financial year. Previous periods have been restated.

The overall goal is for the value of shareholders' capital to increase. To pursue a proactive strategy while balancing operational risk, SkiStar must have a strong financial base. The target is an equity ratio of at least 35 percent. At current interest rates, the target for return on equity is 14 percent and for return on capital employed, 9 percent. On 31 August, the equity ratio was 40 (43) percent, return on equity was 9 (11) percent and return on capital employed was 6 (9) percent. The targets are based on 3-month treasury bills, which had an average interest rate of -0.15 percent during the 2020/21 financial year. The operating margin target is to exceed 22 percent in the long term. SkiStar's dividend policy is to pay an annual dividend of at least 50 percent of profit after tax. The policy was adopted on the basis that SkiStar has a strong financial base combined with a strong cash flow and is largely able to finance investments with its own funds.

NOTE 24 **APPROPRIATIONS**

PARENT COMPANY	31/08/2021	31/08/2020
Reversal of excess depreciation ¹⁾	—	1,100
Group contributions	-3,541	—
Closing balance	-3,541	1,100

1) Excess depreciation arose in connection with the merger of the wholly-owned subsidiary Klövsjö Linbana AB

NOTE 25 **LIABILITIES TO CREDIT INSTITUTIONS**

Group	31/08/2021	31/08/2020
Due within 1 year after reporting date	563,670	473,121
Due 1-5 years after reporting date	1,147,090	1,483,223
Due more than 5 years after reporting date	—	5,779
Closing balance	1,710,760	1,962,123
Overdraft facilities granted	750,000	750,000
Utilised portion of overdraft facilities	95,491	217,473

PARENT COMPANY	31/08/2021	31/08/2020
Due within 1 year after reporting date	145,491	417,473
Due 1-5 years after reporting date	437,735	487,735
Closing balance	583,226	905,208
Overdraft facilities granted	750,000	750,000
Utilised portion of overdraft facilities	95,491	217,473

Further information on loan structures, commitment periods, rates etc. can be found in Note 32.

PARENT COMPANY	31/08/2021	31/08/2020
Opening balance	905,208	852,648
Borrowings	306,948	782,287
Repayment	-628,929	-729,727
-Interest applied	16,424	9,940
Accrued interest	2,957	3,159
Interest paid	-19,382	-13,099
Closing balance	583,226	905,208





CONT. NOTE 25 LIABILITIES TO CREDIT INSTITUTIONS

Group	Liabilities to credit institutions	Lease liabilities	Total	Liabilities to credit institutions	Lease liabilities	Total
	31/08/2021	31/08/2021	31/08/2021	31/08/2020	31/08/2020	31/08/2020
Opening balance	1,962,124	698,069	2,660,193	1,745,667	792,662	2,538,329
-New leases		986,797	986,797	—	29,408	29,408
Borrowings	1,049,474	—	1,049,474	1,030,887	—	1,030,887
Repayment	-1,285,596	-197,479	-1,483,075	-767,827	-96,321	-864,148
-Interest applied	32,880	14,690	47,570	20,058	15,426	35,484
Accrued interest	5,990	—	5,990	6,486	—	6,486
Accrued expense		34,393	34,393	—	-663	-663
Interest paid	-38,562	—	-38,562	-30,649	—	-30,649
Asset acquisitions		—	—	—	—	—
Reclassification to liabilities held for sale	-20,615	-69,709	-90,324			
Translation	5,065	-1,457	3,608	-42,498	-42,443	-84,941
Closing balance	1,710,760	1,465,304	3,176,064	1,962,124	698,069	2,660,193

Further information about lease liabilities can be found in Note 7.

NOTE 26 PROVISIONS FOR PENSIONS

Group	31/08/2021	31/08/2020
Other pension provisions	14,535	15,183
Closing balance	14,535	15,183
PARENT COMPANY	31/08/2021	31/08/2020
Other pension provisions	14,535	12,212
Closing balance	14,535	12,212

Provisions for pension obligations amounted to SEK 14.5 (15.2) million, while the fair value of plan assets was SEK 11.9 (9.8) million and payroll tax was SEK 2.8 (0.5) million. In Sweden and the Parent Company, these provisions consist of the fair value of endowment insurance. In Austria, there is a defined benefit plan whose value is calculated annually on actuarial principles. As the value is of minor importance, full disclosures are not provided in accordance with IAS 19.

The total premium for pension insurance was SEK 29.1 (30.9) million. For salaried employees in Sweden, the ITP 2 plan's defined benefit obligations for retirement and survivor pensions are secured through insurance with Alecta, and through individual pension solutions for employees with annual salaries exceeding 10 income base amounts. According to the Swedish Financial Reporting Board's statement UFR 10, Accounting for ITP 2 Plans Financed by Insurance in Alecta, this is a multi-employer defined

benefit pension plan. For the 2020/21 financial year, the Company did not have access to sufficient information to report its proportionate share of the plan's obligations, plan assets and costs, which meant that it was not possible to report the plan as a defined-benefit plan. Consequently, the ITP 2 pension plan insured through Alecta is reported as a defined contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and depends on factors that include salary, previously earned pension and expected remaining service.

Expected contributions in the next reporting period for ITP 2 insurance covered by Alecta are SEK 5.7 million (2020/21: SEK 5.4 million). The Group's share of the total contributions to the plan is 0.01 (0.01) percent, while its share of the total number of active plan members is 0.03 (0.03) percent. The collective funding ratio is the market value of Alecta's assets as a percentage of its insurance obligations calculated by reference to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. The ratio is normally permitted to vary between 125 and 155 percent. If Alecta's collective funding ratio falls below 125 percent or exceeds 155 percent, measures should be taken to create the conditions to allow it to return to the normal range. If the funding ratio is too low, an appropriate measure could be to increase the agreed price for new insurance and extension of existing benefits. If the funding ratio is too high, premium reductions could be introduced. At 31 December 2020, Alecta's surplus, in the form of a collective funding ratio, was 148 (148) percent.

NOTE 27 NON-CURRENT RECEIVABLES FROM/LIABILITIES TO GROUP COMPANIES

Receivables from Group companies ¹⁾	31/08/2021	31/08/2020
Entréhuset AB		9,117
SkiStar Snöproduktion AB		2,440
Eveline Fastighets AB		13,603
SkiStar Invest AB		107,363
SkiStar Fastighet AB		8,211
Björnrikegården Nya AB		7,455
Vemdalen Logi AB		116,907
Closing balance	—	265,096

Liabilities to Group companies ¹⁾	31/08/2021	31/08/2020
Fjällmedia AB		98
Hammarbybacken AB		5,117
Fjällinvest AB		143,203
Hundfjället Centrum AB		124,943
Hundfjället Servicecenter AB		7,535
Sälens Högfjällshotell AB		373,328
SkiStar Åre Mark AB		3,410
SkiStar Lodge Hundfjället		25,369
Vintertorget i Sälen KB		2,208
Closing balance	—	685,211

1) All internal receivable and liabilities are classified as current as from this financial year.

NOTE 28 **OTHER PROVISIONS**

Group	31/08/2021	31/08/2020
Other provisions	144	9,366
Closing balance	144	9,366
PARENT COMPANY	31/08/2021	31/08/2021
Other provisions	—	78
Closing balance	—	78
Group	31/08/2021	31/08/2020
Opening balance	9,366	1,510
Purchases		553
Other provision		10,098
Settlement of provision		-1,216
-Cancellations	-78	-1,275
Translation	-665	-304
Reclassification to liabilities held for sale	-8,479	
Closing balance	144	9,366
PARENT COMPANY	31/08/2021	31/08/2020
Opening balance	78	800
Purchases		553
Cancellations	-78	-1,275
Closing balance	—	78

NOTE 29 **ACCRUED EXPENSES AND DEFERRED INCOME**

Group	31/08/2021	31/08/2020
Accrued payroll expenses and social security contributions	57,569	48,486
Accrued finance costs	6,794	6,486
Accrued property expenses	6,597	5,605
Accrued electricity costs and electricity tax	5,150	4,078
Accrued rental costs	8,266	9,886
Accrued profit-sharing, insurance		4,492
Accrued construction costs		7,447
Other items	28,353	23,882
Closing balance	112,729	110,362
PARENT COMPANY	31/08/2021	
Accrued payroll expenses and social security contributions	45,559	39,604
Accrued finance costs	2,957	3,159
Accrued property expenses	2,520	2,416
Accrued electricity costs and electricity tax	5,148	4,078
Accrued rental costs	963	1,237
Accrued profit-sharing, insurance		4,492
Accrued construction costs		
Other items	15,732	8,866
Closing balance	72,879	63,852

NOTE 30 **PLEDGED ASSETS AND CONTINGENT LIABILITIES****PLEDGED ASSETS**

Group	31/08/2021	31/08/2020
Property mortgages	1,332,834	810,668
Floating charges	7,000	7,000
Assets, SkiStar Norway Group	691,690	807,424
Other pledged assets	15,286	12,963
Closing balance	2,046,810	1,638,055
Of which pledged for own liabilities	2,046,810	1,638,055

PARENT COMPANY

	31/08/2021	31/08/2021
Property mortgages	509,636	520,436
Floating charges	7,000	7,000
Other pledged assets	15,286	12,963
Closing balance	531,922	540,399
Of which pledged for own liabilities	531,922	540,399

CONTINGENT LIABILITIES

Group	31/08/2021	31/08/2021
Contributions with conditional repayment liability	—	—
Guarantees	403,463	545,610
Other contingent liabilities	70,500	70,500
Closing balance	473,963	616,110
PARENT COMPANY	31/08/2021	31/08/2021
Contributions with conditional repayment liability	—	—
Guarantees provided for Group companies	1,118,364	960,591
Other guarantees	325,405	508,352
Other contingent liabilities	70,500	70,500
Closing balance	1,514,269	1,539,443

Guarantees are related to surety for bank loans taken out by associates and other companies as well as travel guarantees.

NOTE 31 **CASH FLOW STATEMENT**

	Group		PARENT COMPANY	
	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Interest paid and dividend received				
Dividend received	—	—	—	—
Interest received	2,191	3,840	1,725	5,769
Interest paid	-38,562	-30,649	-19,383	-13,099
Adjustments for non-cash items etc.				
Share of profit/loss of associates	-8,604	-2,736	—	—
Depreciation/amortisation and impairment of assets	522,476	373,260	159,520	156,534
Unrealised exchange differences	3,254	16,894	—	-685
Capital gains/losses on sale of non-current assets	-7,460	7,474	3,279	5,504
Capital gains/losses on sale of operations/subsidiaries	-216,744	—	87,370	—
Pension provisions	—	—	2,323	2,507
Other provisions	-634	8,160	-78	-722
Negative goodwill	—	—	—	—
Profit from revaluation of assets for sale	49,970	—	—	—
Other non-cash items	-7,207	6,981	2,242	—
	335,051	410,033	254,656	163,138

Acquisition of subsidiaries and other business entities

Acquired assets and liabilities:

Property, plant and equipment	461,451	—	—	—
Inventories	1,013	—	—	—
Other assets	14,447	—	100	—
Total assets	476,911	—	100	—
Purchase consideration	-118,618	-17,826	-100	—
Less cash and cash equivalents in acquired operation	—	—	—	—
Effect on cash and cash equivalents	-118,618	-17,826	-100	—

Disposal of subsidiaries and other business entities

Disposal of assets and liabilities:

Property, plant and equipment	-718,707	—	—	—
Financial assets	-25,369	—	-95 818	—
Inventories	—	—	—	—
Operating receivables	-5,097	—	—	—
Cash and cash equivalents	-4,485	—	—	—
Total capital gains/losses, liabilities and provisions	-753,658	—	-95 818	—

Cash and cash equivalents

The following components are included in cash and cash equivalents:

Cash and bank balances	26,556	59,567	786	994
	26,556	59,567	786	994

NOTE 32 **FINANCIAL RISKS AND FINANCIAL POLICIES****FINANCIAL RISKS**

Financial risk not only entails a risk of losses, but also presents an opportunity for gains. SkiStar's policy for financial risk management is to avoid excess liquidity and to maximise returns by repaying short-term credit in the event of significant liquidity inflows. The financial policy is determined by the Board. The CFO is responsible for ensuring compliance with the policy. Financing activities within the Company are centralised under the CFO.

CURRENCY RISK

Currency risk is the risk of exchange rate changes affecting the Group's income statement, statement of financial position and/or its cash flows. Currency risk includes both translation risk and transaction risk.

SkiStar conducts operations in Norway through its subsidiary SkiStar Norge AS and that company's subsidiaries and in Austria through its majority holding in St. Johanner Bergbahnen GmbH, and is exposed to translation risks in these operations. SkiStar's policy is not to hedge translation risk.

To reduce currency risks, assets in foreign subsidiaries are only financed in local currencies. Purchases of lifts, snow groomers and particularly ski rental equipment are partly financed in EUR and USD and are hedged if this is considered beneficial to the Company. In the 2020/21 financial year, the Group purchased goods and services in euros, which totalled EUR 7.9 (9.9) million. Purchases are also made in other currencies, but their value is considered marginal.





CONT. NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

CREDIT RISKS

Credit risk is the risk of SkiStar's customers being unable to discharge their obligations. Since most sales are settled in cash or through advance payments and most trade receivables are for small amounts, customer credit risk for any individual receivable is considered low.

INTEREST AND LIQUIDITY RISKS

SkiStar's financial policy requires most borrowings to have a short fixed-interest term of three months or less. With a strong financial base, including an equity/assets ratio of 40 (43) percent and a strong cash flow, SkiStar can take advantage of the effects of short-term interest rates, which are lower than the long-term rates. When the Company considers that the market situation and interest rates are conducive to borrowing at longer fixed-interest rates, this can be done, subject to a decision by the finance team and the Board. Loans are taken out with large credit institutions such as DNB, Nordea and SEB. Interest-bearing liabilities, excluding the effects of IFRS 16 Leases, amounted to SEK 1,751 (1,977) million at the reporting date. Net interest income/expenses for the financial year were SEK -49 (-44) million and average interest expenses were 2.21 (2.07) percent. Net interest-bearing liabilities, excluding the effects of IFRS 16 Leases, were SEK 1,675 (1,816) million at the reporting date. A rise in interest rates of 1 percentage point would increase SkiStar's interest expenses by about SEK 12 (11) million, with virtually the entire amount affecting net financial items in the income statement and therefore equity. To offset the strong fluctuations in cash flow over the year, SkiStar has short maturities for just over 50 percent of its loan volume. SkiStar has covenants linked to the interest coverage ratio and equity/assets ratio. At 31 August 2021, the covenants had been fulfilled. The Group's cash and cash equivalents at the reporting date were SEK 27 (60) million. Unused credit facilities amounted to SEK 675 (533) million. In accordance with the disclosure requirements of IFRS 13, there follows a description of the fair value measurement of financial instruments in the balance sheet. This is done by classifying the measurement as follows:

- Level 1:** Fair value is determined according to quoted prices in active markets for identical instruments.
- Level 2:** Fair value is determined based on either directly (as prices) or indirectly (derived from prices) observable market data not included in level 1.

INTEREST RATE SWAPS

To hedge the risk of highly probable forecast interest-rate flows from borrowing at variable interest rates, the Company uses swaps, which means it receives a variable interest rate and pays a fixed rate. The interest rate swaps are measured at fair value in the statement of financial position. On 31 August 2021, the value was SEK -22 (-29) million. The interest rate coupon portion is recognised in profit or loss as part of interest expenses. Up to and including May 2016, unrealised changes in the fair value of interest rate swaps were included in the hedging reserve. Hedge accounting for interest rate derivatives has ceased with effect from May 2016. The value of the derivative is reversed in comprehensive income over the derivative's remaining life. A cumulative effect of SEK -2 (-7) million for remaining cash-flow-hedged interest rate swaps was recognised in equity at 31 August 2021. The Group has interest rate swaps of SEK 818 million and NOK 200 million, with remaining maturities of 2-6 years.

FAIR VALUE

Fair value measurement is conducted when reliable observable market data is available at the reporting date. For this reason, interest rate swaps and forward exchange agreements are measured at fair value. Other investments held as non-current assets consist essentially of participations in tenant-owner associations and shares in small companies. Participations in tenant-owner associations are assessed using the rules for property, plant and equipment, and other items are carried at cost, as the carrying amount is considered to correspond with the fair value of these items.

LOAN STRUCTURE 31 AUGUST 2021

	Nominal amount in original currency	Carrying amount	Maturity	Fair value of loan
Sweden				
Overdraft facilities, variable interest	95,491	95,491	31/08/2026	95,491
accrued interest	734	734		
Bank loan, variable interest	610,000	610,000	26/03/2023	610,000
accrued interest	1,422	1,422		
Bank loan, variable interest	200,000	200,000	28/06/2024	200,000
accrued interest	715	715		
Bank loan, variable interest	73,062	73,062	30/06/2022	73,062
accrued interest	199	199		
Bank loan, variable interest	213,750	213,750	29/12/2023	213,750
accrued interest	461	461		
Bank loan, variable interest	116,200	116,200	30/01/2022	116,200
accrued interest	—	—		
Norway				
Bank loan, variable interest	260,000	258,361	26/06/2022	258,361
accrued interest	596	593		
Bank loan, variable interest	116,250	115,517	21/02/2024	115,517
accrued interest	36	36		
Bank loan, variable interest	27,000	26,830	30/06/2024	26,830
accrued interest	—	—		
Bank loan, variable interest	124	124	01/01/2023	124
accrued interest	—	—		
Bank loan, variable interest	82	82	01/01/2024	82
accrued interest	—	—		
Bank loan, variable interest	1,100	1,093	30/06/2023	1,093
accrued interest	1	1		
Bank loan, variable interest	19	19	19/04/2022	19
accrued interest	—	—		
Bank loan, variable interest	233	231	09/07/2023	231
accrued interest	—	—		
Total loans		1,710,760		
Total accrued interest on bank loans		4,160		
Accrued interest on derivatives		1,831		





CONT. NOTE 32 FINANCIAL RISKS AND FINANCIAL POLICIES

	Nominal amount in original currency	Carrying amount	Maturity	Fair value of loan
Austria				
Bank loans	1,205	12,243	30/04/2022	12,243
accrued interest	—	—		
Bank loans	324	3,292	31/12/2022	3,292
accrued interest	—	—		
Bank loans	500	5,080	30/04/2024	5,080
accrued interest	—	—		

In addition to interest rate swaps, which have a fair value of SEK -22 (-29) million, other financial liabilities consist of liabilities maturing within one year.

The fair value of interest rate swaps for the Parent Company is SEK -10 (-15) million.

FINANCIAL INSTRUMENTS AT FAIR VALUE

SEK million	31/08/2021	31/08/2020
Interest rate swaps	22	29

The items are reported as liabilities in the balance sheet.

The nominal value of the interest rate swaps was SEK 1,017 (796) million at 31 August 2021.

FINANCIAL ASSETS BY MEASUREMENT CATEGORY

31/08/2021, SEK million	Fair value through profit or loss	Amortised cost	Total carrying amount
Investments and other securities held as non-current assets 1)	34	—	34
Receivables from associates	—	1	1
Trade receivables	—	31	31
Other current receivables	—	58	58
Cash and cash equivalents	—	27	27
Total financial assets	34	117	151

31/08/2020, SEK million	Fair value through profit or loss	Amortised cost	Total carrying amount
Investments and other securities held as non-current assets 1)	35	—	35
Receivables from associates	—	163	163
Trade receivables	—	17	17
Other current receivables	—	106	106
Cash and cash equivalents	—	60	60
Total financial assets	35	346	381

1) SEK 34 (35) million of the financial investments are primarily investments in tenant-owner associations and other small shareholdings. These are measured based on level 3 of the IFRS 13 measurement hierarchy.

FINANCIAL LIABILITIES BY MEASUREMENT CATEGORY

31/08/2021, SEK million	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
Liabilities to credit institutions	1,726	—	—	1,726
Derivatives	—	—	22	22
Trade payables	—	—	154	154
Accrued interest	6	—	—	6
Total financial liabilities	1,732	—	176	1,908

31/08/2020, SEK million	Liabilities to credit institutions	Derivatives used for hedge accounting	Other financial liabilities	Total carrying amount
Liabilities to credit institutions	1,977	—	—	1,977
Derivatives	—	—	29	29
Trade payables	—	—	147	147
Accrued interest	6	—	—	6
Total financial liabilities	1,983	—	176	2,159

THE GROUP'S MATURITY STRUCTURE FOR UNDISCOUNTED CASH FLOWS FOR FINANCIAL LIABILITIES AND DERIVATIVES, INCLUDING INTEREST

SEK million	Within 1 year	2-5 years	After 6 years
Liabilities to credit institutions	650	1,127	—
Derivatives	9	29	4
Trade payables	154	—	—

NOTE 33 PROFIT/LOSS FROM SECURITIES HELD AS NON-CURRENT ASSETS

Group	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Impairment	—	-9
Dividend	226	1,136
Capital gain 1)	—	—
Capital loss	—	-699
	226	428

1) Conversion of Hemsedal Eiendomselskap AS through demerger

PARENT COMPANY	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Investments from associates	-685	
Dividend	223	676
	-462	676

NOTE 34 INTEREST AND SIMILAR INCOME

Group	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Bank balances	247	1,570
Non-current receivables	1,900	2,022
Trade receivables	6	17
Tax account	—	—
Exchange gains	30,182	42,619
	32,335	46,228



CONT. NOTE 34 INTEREST AND SIMILAR INCOME

	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
PARENT COMPANY		
Bank balances	1,430	4,999
Non-current receivables	289	392
Trade receivables	6	15
Tax account	—	—
Exchange gains	29,967	37,879
	31,692	43,285
Of which external	30,255	38,553
Of which intra-Group	1,437	4,732

NOTE 35 INTEREST AND SIMILAR EXPENSES

Group	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Liabilities to credit institutions	34,086	36,395
Interest, IFRS 16	15,908	15,425
Trade payables	204	108
Tax account	81	37
Exchange losses	31,861	38,995
	82,140	90,960

	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
PARENT COMPANY		
Liabilities to credit institutions	21,033	13,131
Trade payables	11	19
Tax account	15	—
Exchange losses	30,264	37,824
	51,323	50,974
Of which external	51,323	50,722
Of which intra-Group	—	252

All items are derived from items at cost, apart from items arising from interest rate swaps, which are SEK 7.3 (-4.9) million for the Group and SEK -1.9 (0.6) million for the Parent Company. Interest rate swaps are included in liabilities to credit institutions for both the Group and the Parent Company.

NOTE 36 RELATED PARTIES

RELATED PARTY RELATIONSHIPS

The Group is under the control of Mats and Fredrik Paulsson, including family and companies, with an ownership corresponding to approximately 47 (47) percent of the votes and 24 (24) percent of the capital in the Group's Parent Company at 31 August 2021. Erik Paulsson's family with companies is SkiStar's second-largest shareholder, with a holding of approximately 23 (23) percent of the capital and 16 (16) percent of the votes in the Parent Company at 31 August 2021.

Peab

The Peab Group is under the control of Mats and Fredrik Paulsson, with family and companies. SkiStar purchases construction contracts from the Peab Group. The extraordinary meeting of SkiStar AB held on 22 June 2021 resolved to approve certain related-party transactions. The decision was resolved with the requisite majority of at least nine-tenths of the votes and shares that were represented at the meeting. The approval relates to the requisite parts of the property transaction that make up part of SkiStar and Peab's enhanced cooperation in SkiStar Invest AB for management and development of properties in the Scandinavian mountains, which SkiStar announced on 27 May 2021. See Note 37 for further information about this property transaction. Purchases from Peab during the financial year amounted to SEK 269 (357) million. The outstanding liability to Peab was SEK 15 (41) million. Sales to Peab amounted SEK 0.5 (1) million and the outstanding receivable was SEK 0 (0) million.

SUBSIDIARIES AND ASSOCIATES

In addition to the related party relationships described above, the Parent Company has related party relationships through its control of subsidiaries. See Note 15. The SkiStar Group also has transactions with associates in which it does not have significant influence. See Note 16. Purchases from associates during the financial year amounted to SEK 73 (88) million and sales to associates amounted to SEK 18 (22) million. Net receivables from associates totalled SEK 24 (195) million, SEK 22 (194) million of which related to loans to associates.

Sales to subsidiaries are mainly related to corporate services provided to the Norwegian subsidiaries. Sales to associates are mainly related to commission from accommodation agency operations, accounting and property services on behalf of Lima Transtrand Fastighets AB, and staff accommodation provided for Experium AB. Purchases from associates mostly relate to rental of property from the Skiab Invest Group. A transfer pricing agreement is in place for trade with the Norwegian subsidiaries.

SENIOR EXECUTIVES

Information about salaries and other benefits, pensions, etc. for the Board of Directors, CEO and other senior executives can be found in Note 8.

SUMMARY OF RELATED PARTY TRANSACTIONS

Group	Sales to related parties 200901-210831	Purchases from related parties 200901-210831	Receivables from related parties 31/08/2021	Liabilities to related parties 31/08/2021
Associates	6,639	54,750	22,386	2,488
Peab	461	269,458	96	14,785
Total	7,100	324,208	22,482	17,273

PARENT COMPANY

Associates	6,504	53,807	13,385	2,456
Peab	461	63,805	96	11,526
Total	6,965	117,612	13,481	13,982

Group	Sales to related parties 01/09/19-31/08/20	Purchases from related parties 01/09/19-31/08/20	Receivables from related parties 31/08/2020	Liabilities to related parties 31/08/2020
Associates	22,252	87,942	195,303	2,582
Peab	1,481	356,695	14	41,457
Total	23,733	444,637	195,317	44,039

PARENT COMPANY

Associates	10,644	82,720	23,700	2,446
Peab	1,481	27,212	14	6,133
Total	12,125	109,932	23,714	8,579

NOTE 37 CAPITAL GAIN ON PROPERTY TRANSACTION

Group	01/09/2020 -31/08/2021	01/09/2019 -31/08/2020
Capital gain on sale of subsidiaries	19,284	
Capital loss on sale of subsidiaries	-38,162	
Capital gain on sale of associates	276,389	
Capital loss on sale of associates	-21,262	
Sale and leaseback	-38,144	
	198,105	—



CONT. NOTE 37 CAPITAL GAIN ON PROPERTY TRANSACTION

As announced by SkiStar on 27 May 2021, SkiStar and Peab have entered an agreement whereby the companies intend to manage and develop jointly-owned companies and properties in the Scandinavian mountains under a joint venture structure. Skiab Invest AB (Skiab), the existing joint venture company that is indirectly half-owned by the parties, will constitute the parent company in the joint venture structure.

The following transactions are included:

- Transfers from SkiStar to Skiab of two existing hotel properties in Sälen – SkiStar Lodge Hundfjället (under construction) and SkiStar Lodge Lindvallen – as well as the hotel property SkiStar Lodge Alpin in Hemsedal through conveyances.
- The total price for transfer of subsidiaries was SEK 491 million.
- Transfers from SkiStar to Skiab of development rights in Sälen, Vemdalen and Åre through conveyances.
- Transfers to Skiab from companies half-owned indirectly by SkiStar and Peab: one hotel in Hemsedal, SkiStar Lodge Suites, two hotels in Trysil, Radisson Blu Mountain Resort & Residences, Radisson Blu Resort and a development right in Trysil through conveyances with a total price of SEK 49 million.
- SkiStar concluded a lease with Skiab for six premises to be used for hotel operations, where SkiStar is the tenant. The leases have a term of 12–25 years.
- SkiStar and Peab will capitalise Skiab through wholly owned subsidiaries proportional to their respective holdings.
- The transaction includes SEK 38 million in capital losses as an effect of sales and leasebacks.

NOTE 38 **ASSETS/LIABILITIES HELD FOR SALE**

On 5 May 2021, SkiStar concluded an agreement to sell its 68 percent ownership of shares in St. Johanner Bergbahnen GmbH. The transaction is conditional on approval from the relevant Austrian authorities and fulfilment of several contractual terms and conditions. Since the approvals have taken longer than anticipated, conclusion of the transaction has been moved from the 2020/21 financial year to the 2021/22 financial year. SkiStar sees no structural reasons why these approvals should not be received and is working closely with the buyer to conclude the transaction as soon as possible. The delay is not expected to have any influence on the transaction's contractual terms and conditions, which was previously announced.

ST. JOHANNER BERGBAHNEN GMBH

Assets	01/09/2020 –31/08/2021
Intangible assets	231
Property, plant and equipment	392,260
Inventory	3,871
Other operating assets	3,092
Impairment	–91,420
	308,034

Liabilities

Other current liabilities, interest-bearing	69,478
Other current liabilities, non-interest-bearing	12,255
Lease liability	62,165
Other provisions	11,722
	155,620

NOTE 39 **EVENTS AFTER THE REPORTING DATE**

With very high demand for the winter season, we can say that total bookings ahead of the new winter season (measured as the number of overnight stays booked through SkiStar's accommodation agency) are higher than at the same time last year. While domestic demand for an active holiday in the mountains is strong, we are also seeing increased demand from international guests. Other business areas, such as SkiStar Business (group and conference activities), are also experiencing increased demand for the coming winter. Future operational investments totalling SEK 160 million have been approved. The investments consist mainly of replacements, modernisation and snow production capacity. Some of the investments are also connected with SkiStar Sport & Adventures for summer 2022.

Eivor Andersson, SkiStar's present chairman of the board, announced in August that she would decline reelection at the AGM in December 2021, so the Nomination Committee has worked on proposing a new board chairman. The Nomination Committee announced on 27 September 2021 that current board member Anders Sundström would be proposed as the new chairman of the board at the AGM.

The Board of Directors proposes that the Annual General Meeting adopt a dividend of SEK 1.50 (0) per share, totalling SEK 118 (0) million.

NOTE 40 **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

Group Management makes estimates and assumptions concerning the future. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities. The actual outcome may differ from these estimates and assumptions. Estimates and assumptions that involve a risk of adjustments to the carrying amounts of assets and liabilities are described below.

MEASUREMENT OF GOODWILL

Several assumptions about future conditions and parameters have been made when calculating the recoverable amounts of cash-generating units for the purpose of goodwill impairment testing. These are described in Note 13. Any changes to these assumptions and estimates beyond what may reasonably be expected could have an effect on goodwill. However, this risk is low as the recoverable amounts largely exceed the reported goodwill values.

MEASUREMENT OF USEFUL LIFE OF OWNED PROPERTY, PLANT AND EQUIPMENT

Assumptions based on historical data and comparisons with equivalent assets are used as a basis when assessing the useful lives of items of property, plant and equipment. Any changes to these assumptions and estimates beyond what may reasonably be expected could have an effect on the estimated useful life.

LEASE ASSETS AND EXTENSION OPTIONS

Extension options are taken into account in the lease term only if it is reasonably certain that such an option will be exercised.

See Note 1 for more detailed information. When the contract is entered, the average borrowing rate for the term is used to calculate the right-of-use asset and lease liability.

DISPUTES

SkiStar is not currently involved in any dispute of material significance to the Group.

NOTE 41 **INFORMATION ABOUT THE PARENT COMPANY**

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish limited company, with its registered office in the Municipality of Malung-Sälen, Dalarna County. The head office is in Sälen and the postal address is SE-780 67 Sälen. The Parent Company's shares are listed on Nasdaq Mid Cap Stockholm.



Reconciliation of alternative performance measures

FINANCING AND INTEREST-BEARING LIABILITIES

SEK thousand	FULL YEAR 1 SEP-31 AUG	
	2020/21	2019/20
Non-current interest-bearing liabilities to credit institutions	1,147,090	1,489,002
Non-current lease liabilities	1,372,010	619,851
Pension provisions	14,535	15,183
Current interest-bearing liabilities to credit institutions	563,670	473,122
Current lease liabilities	93,294	78,207
Interest-bearing liabilities	3,190,599	2,675,365
Other non-current receivables	72,890	220,290
Non-interest-bearing portion of non-current receivables	-35,519	-141,393
Current interest-bearing receivables	12,441	22,427
Cash and cash equivalents	26,556	59,567
Interest-bearing receivables	76,368	160,890
Financial net debt (Interest-bearing receivables - interest-bearing liabilities)	3,114,231	2,514,475

SEK thousand	2020/21 Q4	2019/20 Q4	2018/19 Q4	2017/18 Q4	2016/17 Q4
Return on capital employed					
Profit after financial items	246,174	350,059	553,242	586,629	477,756
Finance income	32,562	46,656	49,029	55,283	13,067
Finance costs	-82,142	-90,960	-99,571	-79,548	-49,096
Net financial items	-49,579	-44,304	-50,542	-24,265	-36,030
Profit after financial items, plus finance expenses	328,315	441,019	652,812	666,177	526,852

	2020/21 Q4	2020-08	2019/20 Q4	08/2019	2018/19 Q4	08/2018	2017/18 Q4	08/2017	2016/17 Q4	08/2016
Capital employed										
Assets	6,873,998	6,023,251	6,023,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146
Non-current non-interest-bearing liabilities	142,008	225,206	225,206	226,546	226,546	221,113	221,113	190,107	190,107	149,441
Current non-interest-bearing liabilities	767,365	562,156	562,156	478,637	478,637	537,253	537,253	455,254	455,254	334,910
Total non-interest-bearing liabilities	909,373	787,361	787,361	705,182	705,182	758,366	758,366	645,361	645,361	484,351
Capital employed	5,964,625	5,235,889	5,235,889	4,360,594	4,360,594	4,112,202	4,112,202	3,862,499	3,862,499	3,622,795
Average capital employed	5,615,257	—	4,798,242	—	4,236,398	—	3,987,350	—	3,742,647	—
Return on capital employed	6%	—	9%	—	15%	—	17%	—	14%	—
Return on equity										
Equity	2,774,026	2,560,524	2,560,524	2,602,064	2,602,064	2,421,089	2,421,089	2,090,251	2,090,251	1,869,945
Average equity	2,682,275	—	2,581,294	—	2,511,576	—	2,255,670	—	1,980,098	—
Profit after tax (see also previous reports)	233,632	—	286,715	—	460,400	—	486,368	—	386,707	—
Return on equity	9%	—	11%	—	18%	—	22%	—	20%	—
Return on total assets										
Total assets	6,873,998	6,053,251	6,023,251	5,065,776	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146
Average total assets	6,463,624	—	5,544,513	—	4,968,172	—	4,689,214	—	4,307,503	—
Return on total assets	5%	—	8%	—	13%	—	14%	—	12%	—

Conducting skiing operations requires large capital investments and a stable financial base is therefore important. SkiStar uses these alternative performance measures as part its monitoring of the financial base.



Sustainability information

SkiStar's sustainability initiatives are reported annually. This report is for the period 1 September 2020 – 31 August 2021. SkiStar's sustainability work is initiated by Group management and endorsed by the Board of Directors as a priority area for SkiStar. The objective is to run the entire business in a sustainable way. That is why the description of the sustainability initiatives is integrated into the Company's annual report.

The sustainability report has been prepared in accordance with GRI Standards' core level. The GRI index on pages 111–112 contains references to where the information can be found in the annual report.

By applying the international GRI guidelines, SkiStar strives to provide reporting of sustainability-related content relevant for our stakeholders in a transparent and balanced manner.

The report has been reviewed by PwC and their statement can be found on page 117.

LIMITATIONS AND CHANGES COMPARED TO THE PREVIOUS YEAR

The sustainability report includes the Parent Company and wholly owned subsidiaries. The skiing destination in St. Johann was excluded from the sustainability report, as it has been in previous years. It has been determined that co-owned associates do not constitute a significant portion of operations, which is why they are not included in the report. Joint-venture companies co-owned by SkiStar are not included and are not considered to be a significant part of the operations. The figures reported in the sustainability notes have been collected from each destination and relevant business areas.

Since 1 July 2021, SkiStar has a new hotel division within the Groups. Figures from the hotel operations are reported from 1 July to 31 August and are outlined in the sustainability report. The data varies between hotel operations, and will thus be standardised in the coming years.

A calculation of SkiStar's total climate data was conducted during the financial year together with an external supplier, which resulted in updated conversion factors being used during the financial year compared with the previous year. During the year, SkiStar began reporting scope 3 data. The most relevant categories

have been evaluated and calculated, such as guest travel to our destinations. This will be further developed in 2021/22. Data from 2019/20 has been recalculated and updated in the report.

STATUTORY SUSTAINABILITY REPORT

The sustainability report has been prepared in accordance with the provisions in the Annual Accounts Act, Chapter 6, Section 11, and is described on pages 35–46, with the exception of the description of the Company's business model which is on pages 11–14 and risk management which is on pages 49–50.

For questions relating to SkiStar's sustainability reporting, contact the company at hallbarhet@skistar.com.

IMPACT ON THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Sustainable development is defined by the UN as development that fulfils today's needs without jeopardising the ability of future generations to fulfil theirs. In September 2015, UN member states adopted 2030 Agenda, a universal agenda containing 17 goals for economic, social and environmental sustainable development. The intent of goals is to help reduce poverty, injustice and inequality, and solve the climate crisis by 2030.

By integrating sustainability into our strategies and targeted measures, we make a positive contribution to the sustainable developments goals while also trying to understand and deal with any negative impact we may cause.

Our operations are deemed to have the greatest positive impact on Goal 3, Good Health and Well-being, as getting people activated has been at the heart of SkiStar's operations since the company was founded more than 45 years ago. By making an active holiday available to more people, we can help promote a more active and sustainable lifestyle and enhance well-being. We make a positive contribution to Goal 8, Decent Work and Economic Growth, through our work at our destinations and thereby our contribution to rural communities. Operational challenges that can be linked to the 2030 Agenda goals include Goal 13, Climate Action. Through SkiStar's strategic climate initiatives and ambitious climate goals, the company works to reduce its negative impact on Goal 13.



Sustainability governance

Sustainability is an integral part of SkiStar's governance and reporting. An understanding of and commitment to challenges such as climate change and the use of natural resources are highly significant to SkiStar. Responsibility is thus important both at Group level and at the destinations.

Responsibility for sustainability-related issues is ultimately held by SkiStar's board. SkiStar's CEO bears overall responsibility for evaluating and managing sustainability issues, including climate-related issues, which are well integrated in SkiStar. Within Group management, responsibility for evaluating and managing sustainability and climate-related issues is delegated to the Director of Communications and Sustainability.

Operational responsibility for sustainability and climate-related issues at Group level is led by the Head of Sustainability, who reports to the Director of Communication and Sustainability. The Head of Sustainability is responsible for defining, proposing and supporting implementation and communicates decisions made in connection with the sustainability strategy and established goals.

SkiStar's CEO is Chairman of the sustainability forum, of which the Head of Sustainability is the secretary. The forum consists of representatives from core operations: the President and CEO, Director of Communication and Sustainability, Director of Property and Exploitation, Director of HR, Head of Strategy and CEO of SkiStar Norge AS. The forum meets regularly to discuss the company's development, achieve established goals and ensure compliance with policies and guidelines.

Planning, management and follow-up of sustainability initiatives follows the organisational structure with a clear delegation of responsibilities and powers. This consists of policies, directives, procedures and overall goals. Furthermore, our work is governed by laws, guidelines and regulations, including the UN:s Sustainable Development Goals.

POLICIES

In addition to the general Code of Conduct, SkiStar works in line with a range of policies and governance documents that clarify the company's risks, risk management strategy and approach to achieving its objectives. The purpose of these policies is to create transparency and clarify how we intend to pursue operations with a long-term, sustainable approach to generate growth and develop the company. All policies are reviewed annually and constitute a basic tool to ensure each employee at SkiStar can easily access information regarding how they are expected to act, when and for what reason.

Annual online training is provided to increase awareness and understanding of how SkiStar is expected to act and respond to its operating environment. The training course looks at all policies and the Code of Conduct. The course is also aimed at increasing understanding of how sustainability aspects should be observed in all areas of the business, and how they should be a natural consideration for every employee at all levels and in all decisions. All the company's policies are available to SkiStar's employees via the intranet.

Sustainability policy

Our ambition to influence and tackle the challenges of the future is described in SkiStar's sustainability policy. SkiStar's sustainability policy was updated during the financial year to reflect SkiStar's new sustainability strategy, for example to include the 2030 objective. The sustainability policy governs and monitors SkiStar's climate initiatives and goals. SkiStar's Head of Sustainability is responsible for establishing and implementing the sustainability policy. Water consumption is governed by SkiStar's sustainability policy. SkiStar uses water from rivers, streams and dams near SkiStar's mountain destinations for snow production. SkiStar follows established water rights court rulings.

All SkiStar employees are continuously trained to understand how their role in the business affects SkiStar's sustainability initiatives and how each employee is key to complying with the sustainability policy and achieving its goals. Every employee is also expected to actively seek out and familiarise themselves with such information.

Employees

Employers are responsible for ensuring a good physical and psychosocial work environment. The impact on our own employees occurs within the organisation. The greatest risk for serious accidents is in our Operation of Mountain Resorts and Property Development & Exploitation business areas. In our Operation of Mountain Resorts business area, we work systematically and actively to ensure the safety of our employees and guests. In the Property Development & Exploitation business area, the risk for serious accidents lies outside the organisation among the people managing our properties and working on our construction sites. However, we are aware that as the purchaser of these services we have an opportunity to influence the workplaces of these people.

SkiStar's health and safety initiatives are based on the Work Environment Act and are described in several governance documents, such as our Work Environment Policy. SkiStar AB's Board of Directors has overall responsibility for ensuring that the SkiStar Group's work environment initiatives are conducted in accordance with the policy. With the support of Group management, the CEO is to ensure that there is an appropriate organisation, delegated tasks and sufficient resources for work environment initiatives in accordance with the policy. More detailed instructions that describe our systematic health and safety initiatives can be found in the work environment handbook, which serves as a daily aid. Employees' voices are heard via employee surveys, employee dialogues, work environment meetings and safety representatives. All employees at SkiStar are covered by systematic work environment initiatives.

SkiStar trains managers and supervisors with the right knowledge, skills, resources and powers to be able to work towards maintaining a good and safe work environment and ensuring that all employees receive the introduction and training they need to be able to work safely and healthily.



Diversity and inclusion

SkiStar is engaged in creating a corporate culture that values equality, diversity and inclusion at all levels and gives all employees equal opportunities. The diversity policy applies to all employees in the Group regardless of their type of employment. It is also a natural part of the Company's leadership programme and employee induction. Employee surveys are conducted annually and include work environment and diversity issues. The results are a measure of how well SkiStar has managed in this area but are also a source for continued improvements.

Human rights

Respecting human rights is part of SkiStar's Code of Conduct and Code of Conduct for suppliers and partners. SkiStar clarifies its position in the policy, which is revised annually and approved by SkiStar's Board of Directors.

For SkiStar, it is self-evident that all people are equal. We must meet and treat our fellow human beings equally, regardless of gender, ethnicity, religion or other belief, disability or age. SkiStar respects and supports internationally declared human rights and labour law.

The risk of human rights violations is principally deemed to be at the supplier level. SkiStar's Code of Conduct for suppliers and partners contains expectations of suppliers in terms of forced labour and unhealthy working conditions. Violations of human rights are reported and dealt with in line with current legislation.

Suppliers

Effective partnerships and responsible procurement of suppliers are an important factor in the ongoing sustainable development of operational activities. SkiStar works with many different suppliers within the company's various business areas. Most of SkiStar's suppliers come from Scandinavia and Europe. SkiStar's main suppliers are in the Operation of Mountain Resorts and Property Development & Exploitation business areas. Both price and the length of the business relationship with each supplier consequently vary. SkiStar applies a Supplier Code of Conduct, which sets out the expectations SkiStar has of its suppliers. SkiStar's Supplier Code of Conduct includes respect for human rights, among other areas. It states that suppliers are to be familiar with basic human rights and labour conditions, and to respect them and comply with them. All SkiStar's suppliers and business partners are expected to accept this Code of Conduct. SkiStar will act on any breaches. To ensure responsible procurement, SkiStar works based on established directives for purchasing, which take account of various perspectives during procurement and purchasing processes, including accessibility, price and quality, along with sustainability aspects. SkiStar's Supplier Code of Conduct is available on SkiStar's website, [skistar.com/en/company-information](https://www.skistar.com/en/company-information), under Sustainability.

Compliance

SkiStar aims to achieve full compliance with the company's policies. For everyone to feel confident that the company is working towards the same goals, and identify all possible policy breaches, SkiStar has established a whistleblower service. The service is designed to give all employees the opportunity to anonymously report any suspicions of serious irregularities. The whistleblower service is a warning system aimed at reducing risks, preferably at an early stage in the chain of events. A whistleblower service is an important aspect of effective corporate governance and maintains public confidence in us as a company. Directives and procedures for reporting are available to all employees.



Stakeholder dialogues

Mapping and analysing stakeholders' expectations of our operations is a prerequisite for creating sustainable value. That is why we have ongoing dialogues with our stakeholders.

In addition to this ongoing dialogue with stakeholders, in-depth interviews were conducted during the year with a selection of representatives from our various stakeholder groups. The purpose was to identify SkiStar's most important sustainability issues now and in the future, and to gain an understanding of which issues create great value for our stakeholders. The stakeholder dialogue formed the basis of SkiStar's new sustainability strategy.

Dialogues with stakeholders provide insights into the expectations of different stakeholder groups and contribute to the development of long-term relationships and continuous improvement of SkiStar's operations. The dialogues also provide valuable information when SkiStar evaluates its sustainability work and prioritises initiatives in the area of sustainability.

A targeted survey was conducted during the year to which approximately 4,050 guests and 500 employees responded. In addition, in-depth interviews were conducted with selected stakeholder groups, such as municipalities, regions, owners and destination companies. This was done to get a picture of the stakeholder groups' priorities, and it formed the basis for SkiStar's materiality analysis and sustainability strategy.

SKISTAR'S STAKEHOLDERS



STAKEHOLDER ENGAGEMENT

Stakeholders	Dialogue	Material issues
Guests/Customers	<ul style="list-style-type: none"> • Weekly guest surveys • Daily meetings with guests 	<ul style="list-style-type: none"> • Waste and Recycling • Sustainable tourism • Health and Safety • Circular economy
Employees	<ul style="list-style-type: none"> • Annual employee survey on sustainability • Regular employee surveys • Individual dialogues 	<ul style="list-style-type: none"> • Sustainable working life • Climate and mountain environment • Waste and Recycling
Shareholders	<ul style="list-style-type: none"> • Investor meetings • ESG surveys and assessments 	<ul style="list-style-type: none"> • Climate-related risks and opportunities • Climate initiatives • New business opportunities, year-round operations
SOCIETY		
Suppliers	<ul style="list-style-type: none"> • One-off meetings • Purchasing dialogue • Collaborations 	<ul style="list-style-type: none"> • Compliance with SkiStar's Code of Conduct for suppliers • Working hours and working conditions • Long-term collaborations
Land owners	<ul style="list-style-type: none"> • One-off meetings • Continuous dialogue 	<ul style="list-style-type: none"> • Protection of mountain environment • Exploitation and development of mountain destination
Municipalities & Politicians	<ul style="list-style-type: none"> • One-off meetings • Consultation meetings • Continuous dialogue 	<ul style="list-style-type: none"> • Public health and inclusiveness • Covid-19 and precautionary measures • Sustainable development of destinations
Local businesses	<ul style="list-style-type: none"> • One-off meetings • Consultation meetings • Continuous dialogue 	<ul style="list-style-type: none"> • Covid-19 and precautionary measures • Booking conditions and interest in mountain holidays • Sustainable development of destinations
Media	<ul style="list-style-type: none"> • Interviews • Continuous dialogue 	<ul style="list-style-type: none"> • Covid-19 and precautionary measures • Booking conditions and interest in mountain holidays • Incidents at mountain resorts (avalanche/accidents)



Materiality analysis

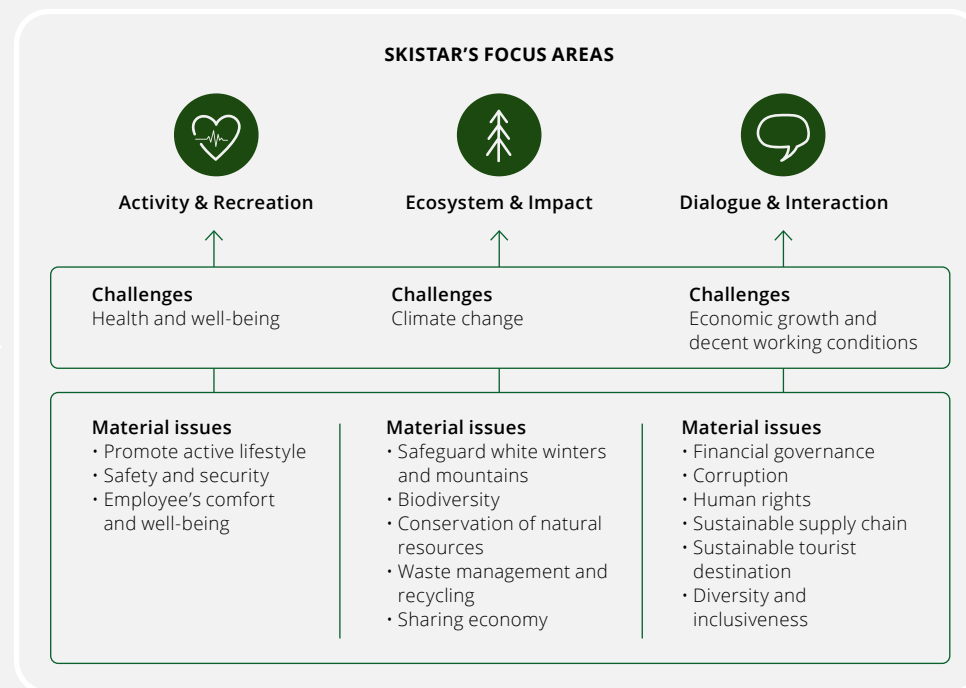
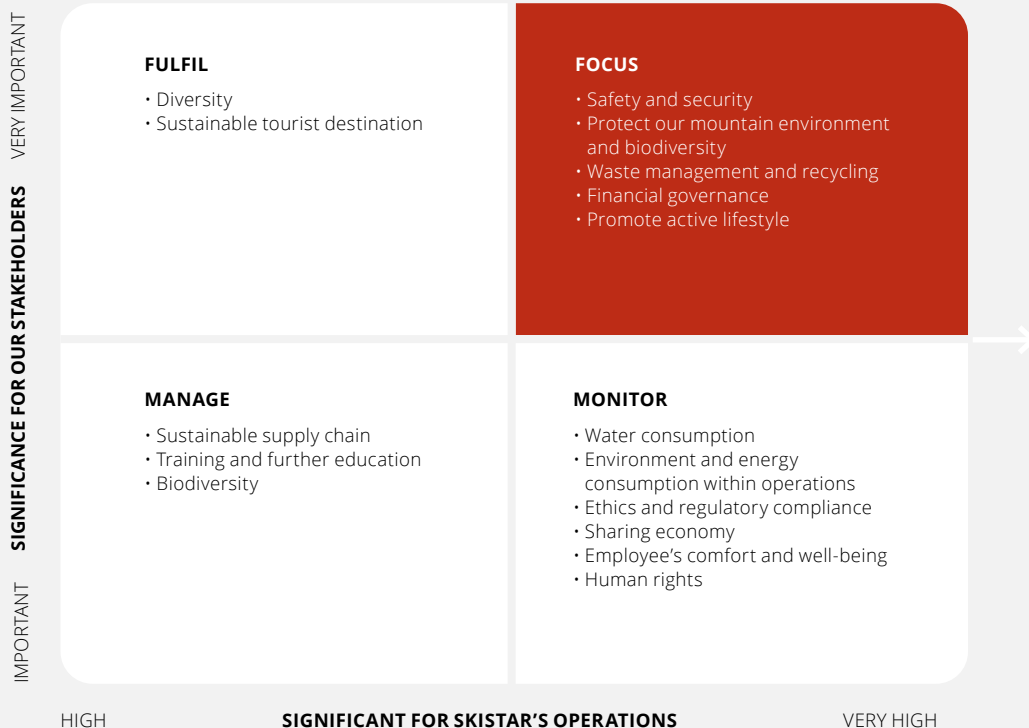
SkiStar's materiality analysis is based on several different areas: Stakeholder dialogues, external trends and the company's and management's strategic priorities. The analysis forms the basis of SkiStar's strategic focus and prioritisation of sustainability initiatives. Based on the survey of stakeholders' expectations and external monitoring, internal priorities have been established, of

which sustainability issues are deemed the most significant. When establishing these priorities, SkiStar's actual impact on people, the environment, the economy and society was considered.

SkiStar conducts a materiality analysis every two years. A review of and update to the materiality analysis was carried out during the year, the conclusions of which are shown below. The results

show the areas that are most important for SkiStar's business and value initiatives as based on the analysis.

SkiStar's contributions and challenges linked to the UN:s 17 Sustainable Development Goals also formed part of the analysis.





Target follow-up

SkiStar developed a new sustainability strategy and sustainability goals during the financial year. The targets developed during the 2018/2019 and 2019/20 financial years have formed the basis for the new sustainability strategy. Targets that were not achieved have been integrated into the new strategy and objectives. See adjacent table.

Each goal has an associated plan of action, including activities and measures. The objectives have been linked to the UN:s 17 Sustainable Development Goals (SDGs) to ensure SkiStar's goals generate long-term value both in the regions in which SkiStar operates and from a national and global perspective.

Area	Goal	Outcome 20/21	UN's Sustainable Development Goals
Water consumption	SkiStar will endeavour to improve biodiversity in lakes and water-courses, partly via responsible water usage and partly by participating in projects that boost biodiversity.	Efforts to ensure guaranteed snow are being taken to a new level thanks to new reservoirs for snow production in Hundfjället and Tandådalen, with biodiversity being considered and compensatory measures implemented.	6.4, 6.6
Emissions	SkiStar will have zero emissions of greenhouse gases from its own vehicles or from energy consumption by 2030.	SkiStar reduced its CO ₂ emissions (S1 + S2) by 17 percent compared with the previous financial year. The goal has been included in SkiStar's updated climate goals for 2030 – SkiStar will reduce its total climate footprint by 50 percent (S1 + S2 + selected S3)	13.1, 13.2
Energy	During the 2019/20 financial year, SkiStar will select certification models for its own construction of new housing, which will be implemented in the 2020/21 financial year.	In line with SkiStar's updated sustainability strategy, an updated decision was also taken on a certification model for new construction. All larger newly constructed buildings must be environmentally certified according to BREEAM's "very good" status. This certification ensures that sustainability issues are highlighted throughout the work process and that the building's environmental performance meets requirements for energy use, indoor climate, water management and waste management. For smaller buildings, there are requirements to satisfy the environmental certification of SGBC Silver at a minimum, which sets requirements for energy use, indoor environment and materials.	12.3



CONT. TARGET FOLLOW-UP



Area	Goal	Outcome 20/21	UN's Sustainable Development Goals
Biodiversity	SkiStar will participate in projects to promote biodiversity at all its destinations.	During the year, SkiStar launched a new project to restore the natural mountain environment and promote biodiversity. When the downhill slope in Åre was built in the 1980s, several explosions were carried out to make the construction possible. Since then, the vegetation on the mountain has had difficulty growing back. To restore the natural mountain environment, SkiStar has initiated a project together with the County Administrative Board, biologists and the landowners that will identify the best methods for regaining vegetation in the area.	15.4, 15.5
Circular resource management	SkiStar will offer guests opportunities to sort waste for recycling at all destinations by 2025.	There are ongoing dialogues with relevant partners to ensure waste-sorting is available at all SkiStar destinations. These efforts are in line with established targets.	12.5
	SkiStar will work towards increasing the rental of beds already available at SkiStar's destinations.	Visitor numbers increased thanks to the new investment in the summer season: 30 percent more visitors used the lift system and activities on the mountain in summer 2021 than in the previous year. We also see that as many as one in four of our visitors have not visited us before in the summer. The absence of foreign guests, particularly in Norway, is having a negative impact on earnings.	12.5
Health and safety	SkiStar's workplaces will be accident free.	SkiStar has a structured work process that includes work environment teams and a crisis management organisation for each destination that work to prevent accidents and near-accidents. During the financial year, 111 (105) accidents/near-accidents occurred among SkiStar's employees. None of these near-accidents was classified as serious.	8.6
Diversity	SkiStar will increase diversity in senior management.	During the financial year, SkiStar increased the number of female managers in the organisation by 6 percent compared with the previous year.	5.5



TCFD climate reporting

During the year, SkiStar began reporting on financial climate risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The aim is mainly to provide information about the risks and opportunities that a transition to a society with lower CO₂ emissions and a changed climate entails. TCFD's recommendations involve reporting in four areas: governance, strategy, risk management and key figures and targets. Our ambition is to report in line with the recommendations as far as possible to clarify how our operations will be affected by climate change, based on two different future scenarios.

Below is our account of how we conduct this work in these four areas today, as well as references to other parts of the annual report where more detailed information is available.

GOVERNANCE AND STRATEGY

Planning, management and follow-up of sustainability initiatives follows the organisational structure with a clear delegation of responsibilities and powers. This consists of policies, directives, procedures and overall goals. Furthermore, our work is governed by laws, guidelines and regulations, including the UN:s Sustainable Development Goals.

SkiStar has always been dependent on nature and the weather. From the very beginning, we identified the climate as an important external factor and a significant issue for our operations. Over five years ago, we began an extensive transformation in our own operations, which made us pioneers in our industry in terms of converting to fossil-free fuel. Over the past five years, SkiStar has reduced its own carbon footprint by almost 50 percent. This year we have adopted a more ambitious climate agenda to be part of the transition to a fossil-free society.

In 2020/21 we therefore updated our strategy model, developing our vision and more concrete targets and strategies. For more information about how we govern our operations, see pages 22–24.

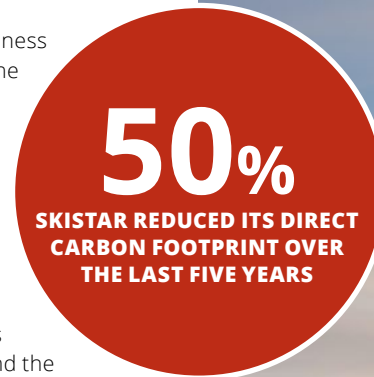
RISK MANAGEMENT

SkiStar is exposed to various risks related to the business and the business model. To manage and work with the risks faced by the company, SkiStar engages systematically with risk assessment and risk management, covering all areas. SkiStar's Board of Directors has overall responsibility for ensuring risk management is conducted, as well as managed efficiently and purposefully. In addition, sustainability risks are evaluated separately, including these areas: climate/environment, human rights, labour law and anti-corruption. SkiStar's risk management relates to all risks associated with the company's sustainability work and the company's materiality analysis. SkiStar's risk management is described in the administration report on pages 49–50.

TARGETS AND PERFORMANCE MEASURES

A summary of SkiStar's greenhouse gas emissions for 2018/19 to 2020/21 can be found in sustainability note H6 on page 110. A description of environmental targets established for 2020/21 can be found on pages 39–40.

We have tried to follow TCFD's recommendations as far as possible. Work is under way to further quantify these aspects.





CONT. TCFD CLIMATE REPORTING

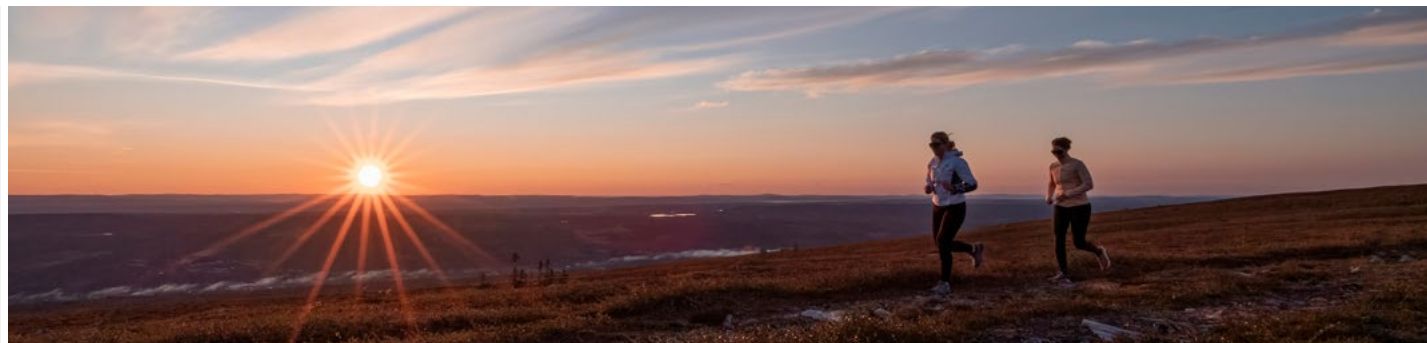
RISKS AND OPPORTUNITIES

Based on the climate scenarios, we have identified our financial climate risks as physical risks and adjustment risks. Physical risks are risks that may involve direct damage to assets or indirect damage, such as interruptions to lift operations. Adjustment risks are risks that a transition to a society with lower CO₂ emissions may entail.

The analyses have been made on the basis of two possible scenarios – RCP 2.6 and RCP 8.5 – which correspond to the best and worst future scenario identified by the UN Climate Panel, IPCC. The analysis is based on SMHI's reports for Dalarna and Jämtland County, the Norwegian Climate Service Center and other relevant reports, and covers the period until 2060. The impact of global warming will be similar at each of SkiStar's destinations. Based on the climate scenarios, we have identified our financial climate risks according to the Task-Force for Climate-Related Financial Disclosures framework.

EXAMPLES OF MEASURES TO MEET FUTURE CLIMATE CHANGE

- Streamline and expand snow production
- Weather-proof exposed resorts
- Develop a more weather-resistant range of activities
- Produce sustainable travel alternatives to our destinations
- Convert from winter destination to year-round destination
- Build sustainable properties and accommodation in the mountains

**SCENARIO 1: WE MAKE THE TRANSITION (RCP 2.6)**

The world's greenhouse gas emissions are halved by 2050, and the temperature increase is limited to 1.5-3 degrees in Sweden. Renewable energy technology is introduced on a large scale and energy intensity is low. Major adjustments to society, infrastructure and buildings are made, and greenhouse gases are subject to taxes and regulations. Land use and building standards have stricter sustainability requirements. There are good conditions for natural snow and skiing, with less need for snow from canons.

Risks

- CO₂ emissions are regulated: Increased regulation, taxes and fees on CO₂ emissions affect land use and building standards. Requirements for zero emissions throughout the value chain.
- New business models: Circular economy requires changes in the business model.
- Energy: Increased volatility and higher prices.
- New technology: Places requirements on increased investments.
- Biofuel: Altered and expanded instruments for biofuels may affect the supply of biofuels and shortages may arise.

Opportunities

- SkiStar remains the mountain destination of the future
- More tourism, skiing safeguarded for the long term
- Increased use of renewable energy and self-produced solar energy
- Greater demand for innovation and new technology

**SCENARIO 2: WE CONTINUE AS NORMAL (RCP 8.5)**

Emissions of greenhouse gases continue to increase at the same rate as now. Political climate initiatives and collaborations fail, and the worsened climate affects human health through an increased risk of pandemics. The temperature in Sweden and Norway increases by 3-7 degrees, with winters becoming up to 10 degrees warmer in northern Sweden. There are more days with extreme weather, floods and strong winds, and the number of forest fires increases. Annual precipitation increases by 10-35 percent, especially in northern Sweden. There are fewer snow-covered days, which results in poorer skiing conditions.

Risks

- Warmer winters: The average temperature increases by 2-3 degrees at all destinations. Fewer days with natural snow cover, more melting during the operating season, snowfall turns into rain
- Shorter winter season: The winter cold comes a month later, the start of snow production is delayed and it becomes less possible to guarantee a complete ski resort open for Christmas/New Year.
- Stronger winds: The number of days with outages increases, more wear and tear on infrastructure, worse weather for guests.
- Warmer summers, more precipitation: Poorer guest experience in the exposed areas of the destinations.
- Risk that resources become strained as a result of increased tourism: Increased temperatures will lead to reduced snowfall in the Alps. Changed travel patterns in Europe may in turn lead to increased tourism at SkiStar's destinations to begin with.

Opportunities

- The effect of climate change on human movement patterns
- Increased tourism in the short term as Scandinavian facilities have a geographical advantage.
- Increased summer tourism with long-term favourable conditions.
- Expand snow production both in terms of scope and capacity.



Sustainability notes

NOTE H1 EMPLOYEES

Number of employees	2020/21				2019/20			
	Permanent employees ¹⁾		Seasonal employees ²⁾		Permanent employees ¹⁾		Seasonal employees ²⁾	
	Men	Women	Men	Women	Men	Women	Men	Women
Sweden	532	398	435	502	219	133	848	822
Norway	147	64	200	96	75	41	361	208

1) Permanent employees refers to average man-years at the end of the financial year.

2) Seasonal employees refers to the number of season employees employed on 28 February 2021 and 29 February 2020.

3) Information on number of employees, age and gender is retrieved from our salary system.

NOTE H2 DIVERSITY

2020/21	Women	Men	>29 years	30–50 years	>50 years
Board of Directors	4	2	0	1	5
Group management	2	5	0	4	3
Destination management teams	17	25	0	24	18
Employees ¹⁾	11	15	1	15	10

1) Here, 'employees' relates to individuals who report to a member of Group management. All figures as at 31 August 2021.

2) Limitation: Impact occurs internally when recruiting new employees. Reporting only covers individuals employed by SkiStar.

NOTE H3 TRAINING HOURS PER EMPLOYEE

	2020/21		2019/20		2018/19		2017/18	
	Women	Men	Women	Men	Women	Men	Women	Men
Permanent employees	10	10	10	10	10	10	10	10
Employees on fixed-term contracts	25	25	25	25	25	25	25	25

1) The statistics are not broken down by employee due to system limitations. Efforts to eventually be able to collect and report this information are in progress.

NOTE H4 WATER USE IN SNOW PRODUCTION

Litres	2020/21	2019/20	2018/19
Sälen	1,048,515	1,212,308	1,273,001
Åre	1,597,960	1,611,204	2,008,217
Vemdalen	825,595	850,782	817,609
Trysil	741,164	806,775	720,000
Hemsedal	367,465	404,908	484,000
Hammarbybacken ¹⁾	8,000	1,000	—
Total water use	4,588,699	4,885,977	5,302,827

1) Hammarbybacken was previously included in Sälen's data.

Data for Hammarbybacken is estimated for 2020/21. Efforts to report actual figures are in progress.

2) Reported water use is based on actual readouts. The values are not normalised in any way.

NOTE H5 FUEL AND ENERGY CONSUMPTION

ELECTRICITY CONSUMPTION

MWh	2020/21	2019/20	2018/19
Consumption of electricity, SkiStar operations	72,606	72,369	82,169
Electricity total	72,606	72,369	82,169

FUEL CONSUMPTION WITHIN THE ORGANISATION

Litres	2020/21	2019/20	2018/19
Consumption of HVO 100	1,450,281	1,417,129	1,518,380
Consumption of diesel	656,521	772,632	966,817
Consumption of petrol	134,641	166,497	98,718
Total fuel	2,241,443	2,356,258	2,583,914

DISTRICT HEATING WITHIN THE ORGANISATION

MWh	2020/21	2019/20	2018/19
District heating	9,482	7,977	10,168
District heating total	9,482	7,977	10,168

NOT H6 **GHG EMISSIONS (CO₂E)**

	2020/21		2019/20	
	Consumption	CO ₂ l tonnes	Consumption	CO ₂ l tonnes
SCOPE 1		2,050		2489
Mobile combustion, m³				
Diesel	657	1,244	773	1,465
Petrol	135	303	170	382
HVO	1,450	0	1,417	0
Alkylate gasoline	46	103	—	—
Stationary combustion				
Wood chips, m ³	24,492	172	22,506	158
Cooking oil, m ³	65	189	37	109
Propane, kg	13,012	39	124,979	375
SCOPE 2		32		9
Electricity, MWh				
Renewable electricity	256,956	0	241,540	0
Consumption of electricity, SkiStar operations	72,606	0	72,369	0
Fjällinvest ¹⁾	184,350	0	169,171	0
District heating	2,203	32	1,427	9
SCOPE 3		4,556		4,159
Fuel and energy-related activities				
Diesel	657	156	773	184
Alkylate gasoline	46	11	—	—
Petrol	135	31	170	40
HVO	1,450	776	1,417	753
Wood chips, m ³	24,492	294	6,507	66
Cooking oil, m ³	65	15	37	8
Propane, kg	13,012	7	124,979	71
Renewable electricity, MWh	256,956	3,232	241,540	3,027
District heating, MWh	2,203	33	1,427	16
Biogenic emissions²⁾				
Wood chips, m ³	24,492	10,065	22,506	9,248
HVO, m ³	1,450	3,548	1,417	3,442

1) Wholly-owned SkiStar companies reporting for the first time in 2020/21

2) Broadened scope of 2020 GHG protocol

SUMMARY OF TOTAL GHG EMISSIONS, TONNES CO₂

Tonnes	2020/21 ¹⁾	2019/20 ¹⁾	2018/19
Scope 1	2,050	2,489	3,954
Scope 2	32	9	205.8
Scope 3	4,556	4,159	—
Total	6,638	6,657	4,160
Emissions intensity (tonnes CO₂e/SEK m revenue)	2.4	2.4	—

1) During 2020/21, SkiStar carried out an overall analysis of the Company's carbon footprint; resulting in broader reporting of climate data in 2020/21. The climate data for 2019/20 has been recalculated to produce comparative figures, so the figures cannot be compared to 2018/19. SkiStar's scope 3 calculation will be further expanded in 2021/22.

Significant assumptions and extrapolations	SkiStar owns 50 percent of Fjällvärme i Sälen AB but has operational control over Fjällvärme i Sälen AB. Thus, 100 percent of emissions from Tandådalen's and Lindvallen's heating plants, which are run by Fjällvärme i Sälen AB, are allocated in line with the operational control method.
Methodology	Greenhouse gas calculation and reporting is based on The Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard and its revised edition as well as the complementary Corporate Value Chain (Scope 3).
Limitations	SkiStar AB and its wholly owned subsidiaries were included in the greenhouse gas report. The reporting period covers 1 September 2020 to 31 August 2021. The greenhouse gas report used an operational approach. See page 100 for more information.

Energi type	Source/comment	Emissions factor
Mobile combustion	Swedish Environmental Protection Agency; SMED, Emissions Factors and Heating Factors 2020; Swedish Energy Agency (2020), Fuels 2019: Reporting of submitted information in line with the Fuels Act, sustainability legislation and the reduction mandate (ER 2020:26).	Diesel: South Pole emission factor Petrol: South Pole emission factor HVO: 0.0 kg CO ₂ e/m ³ Alkylate gasoline: South Pole emission factor
Stationary combustion	Swedish Environmental Protection Agency, SMED, Emissions factors and heat factors 2020	Wood chips: 7.0 kg CO ₂ e/m ³ Cooking oil: 2,930.3 kg CO ₂ e/m ³ Propane: 2,999.7 kg CO ₂ e/m ³
Electricity	Renewable electricity NO: Statistics Norway, 2018, Renewable electricity SE: Swedish EPDs Location-based electricity: IEA, 2020	Renewable electricity: 0.0 kg CO ₂ e/kWh Location-based electricity: licenced emission factor
District heating	SE: Heating market committee, 2020 NO: Average of Norwegian district heating suppliers	SE: South Pole emission factor NO: South Pole emission factor



GRI index

SkiStar's sustainability report for the 2020/21 financial year has been prepared in accordance with Global Reporting Initiative (GRI) Standards guidelines, Core application level. SkiStar's GRI index contains references to where the information can be found in the annual report. To prepare a sustainability report in accordance with the GRI guidelines, SkiStar is required to complete three steps: identification, prioritisation and validation.

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
GRI 101: FOUNDATIONS 2016				
GRI 101: FOUNDATIONS 2017				
ORGANISATIONAL PROFILE				
102-1	Name of the organisation	Front page		
102-2	Activities, brands, products and services	13–14, 29–34		
102-3	Location of headquarters	52		
102-4	Location of operations	4, 29–34		
102-5	Ownership and legal form	47–48, 119–127		
102-6	Markets served	4, 29–34		
102-7	Scale of the organisation	4, 22, 47–48, 52–53, 60–61, 78		
102-8	Information on employees and other workers	44–45, 78, 101–102, 109		
102-9	Supply chain	43, 102		
102-10	Significant changes to the organisation and its supply chain	98		
102-11	Precautionary Principle or approach	37		
102-12	External initiatives	35–46		
102-13	Membership of associations	35–47		
STRATEGY				
102-14	Statement from senior decision-maker	6–7		
102-15	Key impacts, risks, and opportunities	49–50, 107–108		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	42–43, 100		
MANAGEMENT APPROACH				
102-18	Governance structure	100, 119–127		

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	103		
102-41	Collective bargaining agreements	45		
102-42	Identifying and selecting stakeholders	100		
102-43	Approach to stakeholder engagement	103		
102-44	Key topics and concerns raised	103		
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	52, 64		
102-46	Defining report content and topic Boundaries	104		
102-47	List of material topics	104		
102-48	Restatements of information	100	During 2020/21, SkiStar carried out an overall analysis of its carbon footprint, resulting in broader reporting of climate data in 2020/21. The climate data for 2019/20 has been recalculated to produce comparative figures, SkiStar's scope 3 calculation will be further expanded in 2021/22.	
102-49	Changes in reporting	100		
102-50	Reporting period	100		
102-51	Date of most recent report	100		
102-52	Reporting cycle	100		
102-53	Contact point for questions regarding the report	100		
102-54	Claims of reporting in accordance with the GRI Standards	100		
102-55	GRI content index	111–113		
102-56	External assurance	117		





CONT. GRI INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
GRI 200: ECONOMIC STANDARDS				
ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	20, 47–48, 100–102, 103–104		
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	11, 20, 52, 59–60		8
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	42–43, 100–102		
GRI 203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	11, 42–43		3, 8
ANTI-CORRUPTION				
GRI 103: Management approach 2016				
103-1-3	Material topics, their boundaries and management	43, 50, 100–102		
GRI 205: Anti-corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	43, 100–102	The data is not broken down by region and employee category. Efforts to eventually be able to collect and report this information are in progress.	16
GRI 300 ENVIRONMENTAL TOPICS				
ENERGY				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	39–41, 100–102, 107–108		
GRI 302: Energy 2016				
302-1-4	Energy consumption within the organisation	40, 109–110	SkiStar has included relevant energy sources	7
WATER				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	41, 96, 100–102, 105		
GRI 303: Water 2016				
303-1 & 3	Water withdrawal by source, Water recycled and reused	41, 109		6

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	COMMENTS	UN
EMISSIONS				
GRI 103: Management Approach 2016				
103-1	Material topics, their boundaries and management	39–41, 100–102, 105, 107–108		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	39–40, 107–108	SkiStar has included relevant emitted gases. See the 2015/16 Sustainability Report for more information on SkiStar's base year.	11
305-2	Energy indirect (Scope 2) GHG emissions	39–40, 107–108		12
305-3	Other indirect (Scope 3) GHG emissions	39–40, 107–108	SkiStar has included relevant emitted gases.	13
305-4	GHG emissions intensity	39–40, 107–108		13
GRI 400 SOCIAL TOPICS				
HEALTH AND SAFETY				
GRI 103: Management Approach 2016				
403-1-7	Material topics, their boundaries and management	45, 54, 96, 100–102		
GRI 403: Occupational Health and Safety 2018				
403-8	Workers covered by an occupational health and safety management system	45, 78–79, 101	Figures are not broken down by destination or business area due to system limitations.	3, 8
403-9	Work-related injuries	45, 78–79, 101	Efforts to eventually be able to collect and report this information are in progress.	3, 8
TRAINING AND EDUCATION				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	42, 45, 96		
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	45, 109	Figures are not broken down by employee due to system limitations. Efforts to eventually be able to collect and report this information are in progress.	4, 8
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016				
103-1-3	Material topics, their boundaries and management	42, 45, 100, 102, 106, 109		
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	42, 45, 109		5, 6, 10



Signatures of the Board and CEO

The consolidated financial statements and annual report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles and provide a true and fair view of the Group's and the Parent Company's financial position and

earnings. The Administration report for the Group and the Parent Company provides a true and fair view of the development of the operations, financial position and performance of the Group and the Parent Company, and describes material risks and uncertainties faced by the Parent Company and the other Group companies.

Sälen, 4 November 2021

Eivor Andersson

Chairman of the Board

Lena Apler

Board member

Sara Karlsson

Board member

Anders Sundström

Board member

Fredrik Paulsson

Board member

Gunilla Rudebjer

Board member

Patrik Svärd

Employee representative

Stefan Sjöstrand

CEO

Our audit report was submitted on

4 November 2021

PricewaterhouseCoopers AB

Camilla Samuelsson

Authorised Public Accountant

The Board has authorised the annual report and consolidated annual financial statements for issue on 4 November 2021. The consolidated statement of financial position and statement of comprehensive income and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting on 11 December 2021.



Auditor's report

To the general meeting of the shareholders of SkiStar AB (publ), corporate identity number 556093-6949

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of SkiStar AB (publ) for the financial year 1 September 2020 to 31 August 2021. The annual accounts and consolidated accounts of the company are included on pages 49–50, 51–99 and 113–116 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 August 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise

fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Overview

- In the audit we focused on the operations of the parent company SkiStar AB and the subsidiaries SkiStar AS and Fjällinvest AB.
- We have assessed that the revenue recognition and tangible fixed assets are key audit matters in the audit.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-34, 47–48 and 125–128. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the key audit matter

Revenue recognition

Net sales for the financial year 2020-09-01–2021-08-31 amounted to SEK 2,751 million in the consolidated income statement and SEK 2,241 million in the Parent Company's income statement. Accounting principles for revenue are set out in Note 1.

As stated in Note 2, net sales are distributed to various sources of income such as SkiPass, accommodation, ski rental, sports shops, real estate services and sales of shares in housing and development assets. The number of transactions in different flows is extensive and for the exploitation business they can be complex. We have therefore assessed the income statement as a key audit matter in the audit.

In our audit, we evaluated and reviewed the principles for revenue recognition, processes for significant revenue flows and related IT systems. We have tested significant controls, conducted analytical reviews and sampling. We also used data analysis in our review. We have examined more complex transactions regarding the sale of exploitation assets against the required documentation. We also reviewed the information provided in the annual report.

Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's revenue recognition.

Tangible fixed assets

Tangible fixed assets are reported at MSEK 3,611 in the report on financial position for the Group as of August 31, 2021 and in the Parent Company to MSEK 1,747. This represents 53 per cent of the Group's total assets, whereby valuation and reporting of these have constituted a key audit matter in our audit.

Accounting principles for tangible fixed assets are set out in Note 1, and information on tangible fixed assets is provided in Note 14.

In our audit, we have evaluated processes and, on a sampling basis, examined balanced amounts against established criteria for what should be reported as an asset or expensed directly. We have analyzed and assessed the assumptions and assessments made by the company management regarding useful periods and any indications of impairment. We have also reviewed the information provided in the annual report.

Based on our review, we have not identified any significant observations for the audit as a whole regarding SkiStar's reporting of tangible fixed assets.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of SkiStar AB (publ) for the financial year 1 September 2020 to 31 August 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters

take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

PricewaterhouseCoopers AB was appointed auditor of SkiStar AB (publ) by the general meeting of the shareholders on the 12 December 2020 and has been the company's auditor since the 15 December 2018.

Stockholm, 4 November 2021
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant



Auditor's Limited Assurance Report on SkiStar's Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of SkiStar AB, corporate identity number 556093-6949

INTRODUCTION

We have been engaged by the Board and Group Management of SkiStar AB to undertake a limited assurance of SkiStar's Sustainability Report for the year 2020/21. The company has defined the scope of its sustainability report on page 35–46. The statutory sustainability report is defined on page 100–113, which also constitutes the statutory sustainability report.

RESPONSIBILITIES OF THE BOARD AND GROUP MANAGEMENT

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 100 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that SkiStar has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to SkiStar according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements. The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not

provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Swustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A statutory sustainability report has been prepared.

Stockholm, 4 November 2021
PricewaterhouseCoopers AB

Camilla Samuelsson Sara Höög
Authorised Public Accountant Authorised Public Accountant



Definitions of financial performance measures

Financial performance measures are either measures used in Swedish listed companies or measures used by management and analysts.

Share dividend yield

Dividend divided by the share price.

Return on equity

Profit/loss after tax as a percentage of average equity.

Return on capital employed

Profit/loss after net financial items plus finance costs as a percentage of average capital employed. Capital employed is defined as assets less non-interest-bearing liabilities.

Return on total assets

Profit/loss after net financial items plus finance expenses as a percentage of average total assets.

Current ratio

Current assets including unutilised credit facilities granted as a percentage of current liabilities.

Gross margin

Operating profit/loss before depreciation/amortisation as a percentage of revenue.

Price/equity ratio

Share price at the reporting date divided by equity per share.

Share price/cash flow

Share price at the reporting date divided by cash flow from operating activities.

CO₂e

Amount of a specific greenhouse gas, expressed as the amount of CO₂ that has the same greenhouse gas effect.

Equity per share

Equity divided by the average number of shares for the reporting date.

ESG

Environmental, social and governance. Refers to three key factors that are considered when evaluating the sustainability and societal impact of an investment in a company or business.

Average interest expense

Interest expenses divided by average interest-bearing liabilities.

GHG

Emissions of greenhouse gases (GHG) are calculated as emissions of CO₂ equivalents (CO₂e). CO₂e is defined as the amount of a certain GHG expressed as the amount of CO₂ that produces the same greenhouse effect.

Global Reporting Initiative (GRI) Standards

GRI Sustainability Reporting Standards are the first and most widely used global standards for sustainability reporting. GRI is an independent international

organisation that has been developing methods for sustainability reporting since 1997.

Cash flow from operating activities before change in working capital

The reason for this key ratio is that the change in inventories, trade receivables and trade payables is marginal, and these items are therefore eliminated to obtain a fairer presentation of operations.

Cash flow per share

Cash flow before change in working capital divided by the average number of shares.

Quick ratio

Current assets including unutilised credit facilities granted less inventories divided by current liabilities.

Net margin

Profit/loss before tax as a percentage of revenue.

Organic growth

Growth above inflation.

P/E ratio

Share price at the reporting date divided by earnings per share after tax.

Earnings per share

Profit/loss for the year attributable to shareholders of the Parent divided by average number of shares.

Diluted earnings per share

Profit/loss for the year attributable to shareholders of the Parent, adjusted for interest expenses after tax on convertible debt, divided by the number of shares after full conversion of convertibles subscribed for.

Interest-bearing liabilities

Current and non-current liabilities to credit institutions, provisions for pensions and items in other current liabilities that are interest-bearing.

Interest coverage ratio

Profit/loss after net financial items plus finance costs as a percentage of finance costs.

Operating margin

Operating profit/loss after depreciation/amortisation as a percentage of revenue.

Operating profit/loss

Revenue less cost of goods for resale, personnel costs, other operating expenses, depreciation, plus profit/loss from joint ventures/associates and negative goodwill.

Debt/equity ratio

Interest-bearing liabilities as a percentage of equity.

Equity/assets ratio

Equity as a percentage of total assets.

Other definitions

Activity opportunity

An activity linked to movement that generates income.

ALF

Norwegian Ski Lift Association

Occupancy rate

Accommodation bookings as a percentage of the beds mediated by SkiStar at 100 percent capacity in the period beginning the third week in December and ending the third week in April.

Booking volume

A comparison of booked overnight stays between two defined periods.

Financial year

SkiStar's financial year covers the period 1 September – 31 August.

First quarter (Q1) September – November

Second quarter (Q2)

Third quarter (Q3)

Fourth quarter (Q4)

Overnight stay

One booked night in a cabin, apartment or hotel room.

SkiPass

Card providing access to ski lifts.

Skier day

One day of skiing with a SkiPass.

SLAO

Svenska Skidanläggningsorganisation (Swedish Ski Lift Organisation).

December – February

March – May

June – August



Corporate governance report



Eivor Andersson
Chairman of the Board

It is our aspiration for SkiStar to be a transparent, shareholder-friendly company that strives for sustainable growth with attractive dividend levels. Corporate governance is central to achieving this while at the same time maintaining external confidence in the company.

During the past financial year, the Board's work has focused partly on safeguarding the Company's financial position in light of the Covid-19 pandemic, and partly on other vital long-term issues such as further developing the Company's sustainability strategy. We have taken decisions on ambitious climate goals, and our objective is to focus on activity and recreation by enabling active holidays in the mountains all year round.

I would like to thank you, our shareholders, for your trust and support during the years I have been part of SkiStar's Board. After ten years on the Board, the most recent of which as Chairman, it is now time for me to move on after the AGM. However, I will eagerly continue to follow SkiStar closely and I am sure that the memorable mountain experiences it offers are more timely than ever.

SkiStar AB (publ), corporate identity number 556093-6949, is a Swedish limited company, whose B shares are admitted to trading on Nasdaq Stockholm, Mid Cap.

CORPORATE GOVERNANCE

The purpose of corporate governance is to ensure that SkiStar complies with existing regulations and that the Company is managed in a manner that is efficient and sustainable for shareholders. Corporate governance also helps to systematise and create good order in the work of the Board and management.

SkiStar's corporate governance is based on the Articles of Association as well as internal policies and governance documents (see figure below), which are available to all employees on the SkiStar Hub intranet. Corporate governance is further adapted on the basis of external regulations such as the Swedish Companies Act, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares (hereinafter Nasdaq's regulations)¹, the Swedish Corporate Governance Code (hereinafter the Code)² and good stock market practice.

1) Nasdaq's regulations are available on the Nasdaq website.

2) The Code is available on bolagsstyrning.se.

SHARES AND VOTING RIGHTS

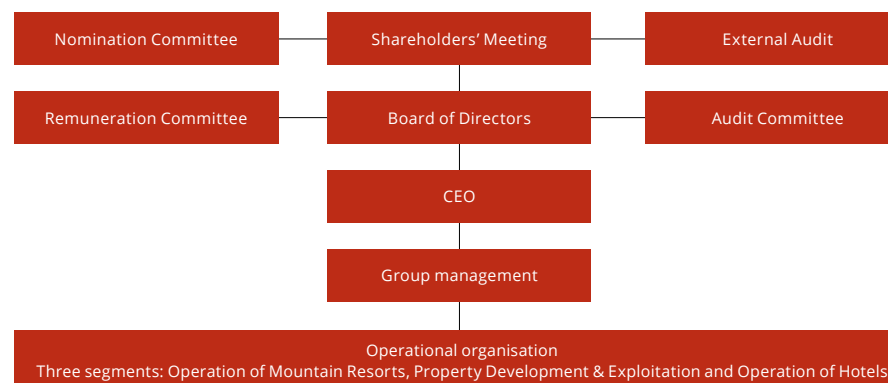
SkiStar's share capital at 31 August 2021 amounted to SEK 19,594,014. The number of Class A shares in the Company was 3,648,000 and the number of Class B shares 74,728,056. Class A shares entitle the holder to ten votes, while each Class B share entitles the holder to one vote each. All shares carry equal entitlement to a share of the Company's assets and profit, and equal rights to dividends. SkiStar's Articles of Association do not contain any restrictions on how many votes each shareholder may exercise at a general meeting.

SHAREHOLDERS AND OWNERSHIP STRUCTURE

SkiStar had 51,843 shareholders at 31 August 2021 according to the register of shareholders kept by Euroclear Sweden AB. Together, the two largest owner groups by votes – Mats and Fredrik Paulsson with family and company and Erik Paulsson's family with company – accounted for approximately 63 percent of the votes and approximately 47 percent of the share capital. The shareholdings are shown in detail on page 48.

Shares held by Swedish private individuals, either directly or through companies, amounted to 70 percent, while Swedish institutional ownership represented 15 percent of the share capital. Foreign private individuals accounted for just under one percent of the share capital, while foreign legal entities and foreign institutional ownership represented 14 percent.

CORPORATE GOVERNANCE STRUCTURE



INTERNAL REGULATIONS

- Articles of Association
- Board and Committee rules of procedure
- CEO instructions
- Policies
- Directives
- Procedures

EXTERNAL REGULATIONS

- Swedish Companies Act
- Swedish Annual Accounts Act
- MAR (Market Abuse Regulation)
- Nasdaq's rules
- Swedish Corporate Governance Code
- Other applicable laws and regulations



SHAREHOLDERS' MEETING

The shareholders' meeting is SkiStar's highest decision-making body. The Annual General Meeting shall be held within six months of the end of the financial year. All shareholders who are listed in the register of shareholders and who have notified the Company of their intention to attend within the prescribed time are entitled to participate and vote according to the total number of shares owned. Shareholders who are not able to attend in person may be represented by proxy.

A notice convening the Annual General Meeting shall be placed in Post- och Inrikes Tidningar (The Official Swedish Gazette) and on the Company's website, [skistar.com/en/corporate](https://www.skistar.com/en/corporate). The release of the notice shall be announced in Dagens Nyheter. Shareholders wishing to attend the Annual General Meeting must be listed in the full printout of the shareholders' register six banking days before the meeting and must notify the Company of their intention to attend no later than the date specified in the notice convening the meeting. This date may not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth working day prior to the meeting. The annual general meeting shall be held in Sälen, Åre or Stockholm, in accordance with the Articles of Association. Business to be dealt with at the general meeting is governed by the Swedish Companies Act and the Articles of Association and may also include any matters that shareholders have requested to be considered.

2020 Annual General Meeting

A total of 125 shareholders attended the Annual General Meeting held at Experium in Sälen on 12 December 2020 either personally, through a proxy or via postal vote. This represented 71 percent of the voting rights. At the Annual General Meeting, the Board was granted authorisation to purchase and sell the Company's own shares. The authorisation entitles the Board to adopt a resolution on the acquisition of the Company's Class B shares on one or more occasions in the period up to the next AGM. However, the Company's holding of its own shares shall not at any one time exceed ten percent of the Company's total shares. The purchase shall be conducted in a regulated market and may only occur at a price within the current registered price interval, which is the interval between the highest buying price and lowest selling price,

or through a purchase offer addressed to all shareholders. The authorisation also entitles the Board, on one or more occasions over the period until the next Annual General Meeting, to adopt a resolution on the sale of the Company's own shares in a regulated market or comparable marketplace in connection with the acquisition of a company or business. The authorisation includes the right to derogate from shareholders' preferential rights and to decide on whether payment will be in cash, in kind, by offsetting or subject to other conditions. The authorisation is aimed at giving the Board of Directors greater flexibility in optimising the Company's capital structure and, where appropriate, making acquisitions. The authorisation had not been used by the Board at the date of issue of this annual report.

Extraordinary general meeting 2021

A total of 141 shareholders participated in the extraordinary general meeting on 22 June 2021 by postal vote. This represented 76 percent of the voting rights. The meeting resolved to approve certain related-party transactions.

2021 Annual General Meeting

The 2021 Annual General Meeting will be held at Experium in Lindvallen, Sälen, at 2.00 p.m. on 11 December. The shareholders will also be offered the chance to vote by post. The notice of the meeting, AGM documents and further information about the meeting are available at [skistar.com/en/corporate](https://www.skistar.com/en/corporate).

NOMINATION COMMITTEE

The Nomination Committee is appointed in accordance with the instructions for the Nomination Committee adopted by the AGM. The Nomination Committee's duties are to prepare proposals concerning the AGM Chairman, Board members, Chairman of the Board, Board fees and, when applicable, to make proposals for the election of auditors and for auditors' fees, assisted by the Audit Committee. In addition, the Nomination Committee proposes principles for the appointment of its own members, including instructions for the Nomination Committee. The composition of the Nomination Committee prior to the 2021 Annual General Meeting has been as follows during the financial year: Anders Sundström, appointed by Fredrik and Mats Paulsson with companies and family, Lennart Mauritzson, appointed by Erik Paulsson family with compa-

nies, Niklas Johansson appointed by Handelsbanken Fonder and Marianne Nilsson appointed by Swedbank Robur Fonder. After the end of the financial year, Per Gullstrand replaced Anders Sundström on the Nomination Committee. The Nomination Committee has appointed Lennart Mauritzson as chairman. All shareholders have had the opportunity to submit nomination proposals to the Committee.

Prior to the 2021 Annual General Meeting, the Nomination Committee held the majority of its minuted meetings and related ongoing contacts by telephone and email. The Nomination Committee has received the results of the evaluation of its work conducted by the Board and has interviewed the President and CEO and half of the existing elected members of the Board with regard to their views of the Board's composition and working methods. The Board's need for skills, experience and diversity over the coming years was also discussed. The Nomination Committee has also discussed proposals for the election and remuneration of auditors with the Audit Committee.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors is appointed by the Annual General Meeting, in accordance with the Companies Act. Employee representatives are appointed by a local employee organisation that is bound by a collective agreement with a company within the Group, in accordance with the Board Representation (Private Sector Employees) Act. The Board shall consist of four to nine members, with a maximum of three deputies, in addition to members who may be appointed by other parties pursuant to Swedish law. Board members are elected until the end of the next Annual General Meeting after the year of the Board Member's election.

At the Annual General Meeting held on 12 December 2020, six members were elected to the Board: Eivor Andersson, Chairman, Lena Apler, Sara Karlsson, Fredrik Paulsson, Gunilla Rudebjer and Anders Sundström. One employee representative was also elected to the Board: Patrik Svård, appointed by HRF. Further information about Board members can be found on page 125.

Through the Nomination Committee, SkiStar applies Rule 4.1 of the Code as its diversity policy when preparing nominations for the election of Board members. The rule requires the Board to have a



composition that is appropriate to the Company's business, development phase and other circumstances, and Board members elected by the shareholders' meeting must reflect diversity and breadth of qualifications, experience and background. The Company must also strive for gender balance on the Board. The aim of the policy is to satisfy the need for sufficient diversity on the Board in terms of gender, age and nationality, and also experience, occupational background and business areas. The Nomination Committee has concluded that SkiStar's Board has equal gender distribution, an appropriate composition in other respects and diversity in terms of, for example, experience and occupational background.

Independence of the Board

Three of the directors are considered to have a connection to the Company's major shareholders: Sara Karlsson, Fredrik Paulsson and Anders Sundström. Two of the directors are considered to have a connection to the Company and its management: Fredrik Paulsson and Anders Sundström. Other elected Board members are independent of the Company, its management and major shareholders. The majority of the elected Board members are therefore independent of the Company and its management. In addition, in

accordance with the regulations of the Code, more than two of the members who are independent of the Company and its management are also independent of major shareholders.

Work of the Board

The work of the Board of Directors is governed by the rules of procedure established by the Board each year. The Chairman of the Board directs the work and maintains continuous contact with the CEO regarding the Group's operations and development. The Board's main task is to ensure SkiStar's future development and safeguard the Company's and shareholders' interests. Furthermore, the Board is responsible for appointing the CEO and ensuring that the Company follows applicable rules. This work mainly involves long-term, strategic issues, such as sustainability, as well as financial reporting and major investments and transactions. The Board meets according to an annually established schedule. Extra meetings can also be arranged. The Board held 16 meetings during the 2020/21 financial year. Members' attendance, as well as the distribution of fees, is shown in the table on page 123.

The Board's work is evaluated regularly in order to develop the Board's working methods and efficiency. As part of the evaluation, the Board also conducted a digital survey during the financial year.

The survey showed members' views on how Board work is carried out, what could be improved and whether the Board is well-balanced and diverse in terms of expertise. The results of the survey have been discussed by the Board, and the Chairman has reported the results of the survey to the Nomination Committee. Half of the members have also had individual meetings with the Nomination Committee, where they also expressed their views on the Board's procedures and efficiency and desired expertise and experience for Board members. These discussions are used as a basis for the Nomination Committee's preparation of proposals for the Board prior to the AGM. The Board also evaluated the CEO's work by means the Remuneration Committee's reports to the Board.

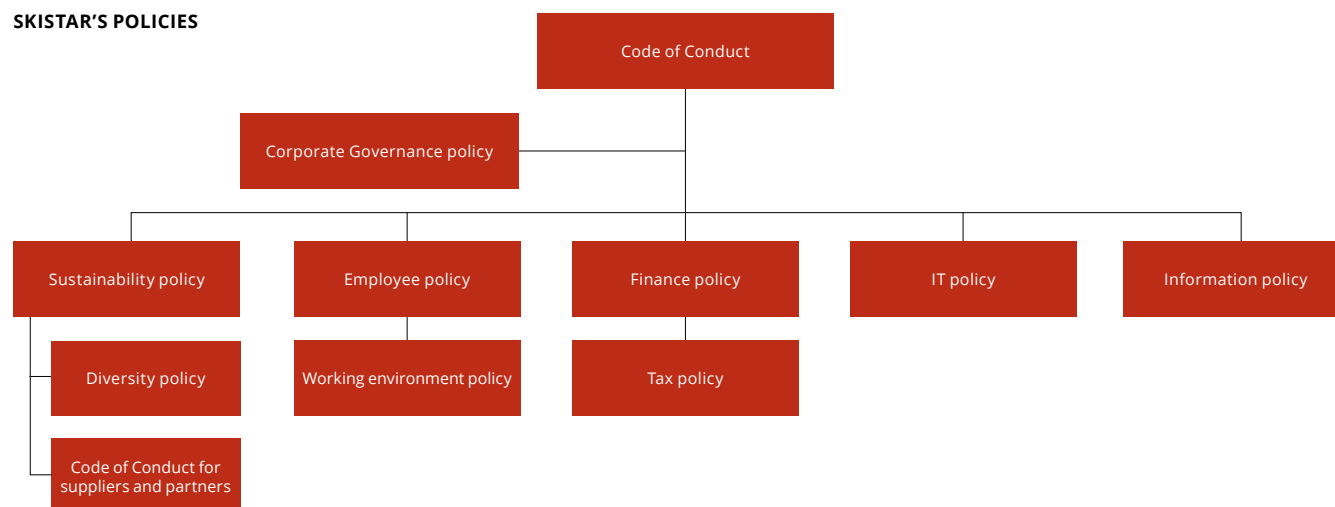
Remuneration Committee

At the inaugural Board meeting on 12 December 2020, Eivor Andersson was reelected as Chairman of the Remuneration Committee and Sara Karlsson was elected as a member. The work of the Remuneration Committee is governed by the rules of procedure established by the Board each year. The Remuneration Committee prepares the Board's decisions on proposals to the Annual General Meeting regarding guidelines for management's remuneration and other terms of employment, and the Board's decisions on the CEO's remuneration and other terms of employment. The Remuneration Committee does not have decision-making power; it only prepares and reports on matters to the Board as a whole. The Remuneration Committee held three minuted meetings during the financial year. Board members' attendance is shown in the table on page 123.

Audit Committee

At the inaugural Board meeting on 12 December 2020, Lena Apler was reelected as Chairman of the Audit Committee, and Fredrik Paulsson and Gunilla Rudebjer were elected as members. The work of the Audit Committee is governed by the rules of procedure established by the Board each year. The Audit Committee monitors and ensures that the financial reporting maintains a high standard and guarantees the efficiency of internal control and risk management. The Committee also maintains regular contact with the Company's auditors, produces guidelines on negotiating service contracts with the Group's auditing firm and evaluates auditing activities. In addition, the Committee assists the Nomination Committee in the election and remuneration of auditors. The

SKISTAR'S POLICIES





Audit Committee does not have decision-making power, but prepares and reports on matters to the Board as a whole. The Audit Committee held six minuted meetings during the financial year. Board members' attendance is shown in the table on page 123.

GOVERNANCE DOCUMENTS

Articles of Association

SkiStar's Articles of Association were adopted at the 2020 Annual General Meeting and are available at skistar.com/en/corporate. The Articles of Association do not contain any provisions for a special procedure for changing the Articles or on the appointment or dismissal of Board members.

Other internal governance documents

In addition to the external and internal regulations above, there are a number of guiding policies in place to support the operations, see figure on page 121, and more detailed directives, procedures and work instructions.

OPERATIONAL MANAGEMENT

CEO

The CEO, who is also the Group President, is responsible for the day-to-day management of the Company in accordance with the Board's instructions. The rules of procedure adopted annually by the Board include instructions for the division of duties between the Board and the CEO and instructions for financial reporting to the Board. The CEO is responsible for ensuring the Board regularly receives the information and support material it needs to assess the Group's financial position and make appropriate decisions. Further information about the CEO can be found on page 126.

SkiStar's Group management

During the 2020/21 financial year, SkiStar's Group Management consisted of seven people: the CEO, CFO, Head of PR and Communications, Commercial Director, Corporate Counsel/Head of IR, Operational Director and Property Development Director.

Guidelines for remuneration of senior executives

The complete guidelines for remuneration of the CEO and other Group management, adopted at the 2020 Annual General Meeting, including results, are set out in Note 8 on pages 78–80 and are also available at skistar.com/en/corporate.

The complete set of proposed guidelines for remuneration of the CEO and Group management for the 2021 AGM can be found in the Administration report on pages 52–56 and are also available at skistar.com/en/corporate.

EXTERNAL FINANCIAL REPORTING

The Board is responsible for internal control and financial reporting, in accordance with the Swedish Companies Act and the Code. SkiStar applies International Financial Reporting Standards (IFRS) in preparing the consolidated financial statements. The quality of the ongoing external financial reporting is ensured by internal measures and procedures. At each meeting, the Audit Committee highlights a special focus area within accounting and external reporting and reviews each interim report and the year-end report at special committee meetings. The auditors review the Company's nine-month report.

DESCRIPTION OF INTERNAL CONTROL

Control environment

The Board bears ultimate responsibility for internal control and risk management. A clear division of roles and responsibilities in the rules of procedure for the Board of Directors and its committees and in the CEO's instructions ensures effective management of operational risks. Together with the Group's policies and other governance documents, these contribute to a good control environment at SkiStar.

Responsibility for routine work in this area rests with the CEO, who is responsible together with Group Management for the internal control required to manage significant risks in the day-to-day operations. Having a common business system for both external reporting and internal monitoring, budgeting and forecasts strengthens the control environment and the security of financial reporting. Management reports regularly to the Board – in the first instance via the Audit Committee – in accordance with defined procedures. During the year, management reported on the measures that have been implemented to strengthen internal control as well as those that are currently being implemented. The Audit Committee assists the Board in its continuous monitoring of internal control, which includes evaluating and discussing important technical accounting and reporting issues.

Risk assessment

The Board ensures, through the Audit Committee, that management continuously assesses significant risks to which the Company may be exposed with regard to financial reporting. This includes identifying income statement and balance sheet items for which the risk of error is significant and designing control systems to prevent and detect such errors. This is mainly achieved by quickly identifying events in the operations or external environment that may affect the financial reporting and by monitoring changes in financial reporting regulations and recommendations that concern the Company's financial reporting. The operations' risk assessments are carried out at both central and local levels in the Group.

Control activities

The Company works continuously to eliminate and reduce significant risks affecting internal control over financial reporting. Control activities aimed at managing risks include:

- The management group's monitoring and analysis.
- Special review of the Company's IT systems with an emphasis on the sales system.
- Continuous monitoring of compliance with authorisation instructions and structures.
- Annual adoption of control documents that describe risk management processes.
- Other ongoing forms of reconciliation and physical checks.

Information and communication

To comply with the Company's policies, directives and instructions, information must be well documented and communicated within the Company. In order to ensure effective information and communication, the management group holds regular meetings at Group, function and resort level with representatives from the Company's destinations and staff functions. Policies and other governance documents are also available to all employees on the SkiStar Hub intranet. When new policies or changed procedures are introduced, internal online training is also provided. The way in which external communication, including financial reporting, is to take place is governed by the Company's overall information policy and the accompanying more detailed governance documents.



Monitoring

The Board of Directors continuously evaluates the information provided by Group management and the Audit Committee and ensures that identified internal control deficiencies are addressed. The Audit Committee's work and the external auditors' reports are of particular importance to monitoring. SkiStar continuously strengthens its internal control environment by evaluating and further developing the formulation and efficiency of the work.

Internal audit

After consideration of the matter in the Audit Committee, the Board has made the assessment that the control and monitoring described above is sufficient to ensure the efficiency of internal control without the need for a separate internal auditing function. The need for an internal auditing function is evaluated annually.

AUDITOR

At the Annual General Meeting on 12 December 2020, the audit firm PricewaterhouseCoopers AB (PWC) was appointed as the Company's external auditor for a period of one year. The audit is led by Authorised Public Accountant Camilla Samuelsson. The results of the audit are reported regularly to Group Management and the Audit Committee during the year. At least once a year, the auditor meets with the Company's Board of Directors without the presence of the CEO or another person in management. The external auditor's independence is regulated under the Audit Committee's separate rules of procedure, adopted by the Board, which specify how decisions are made regarding areas in which the external auditor may be engaged in addition to the statutory audit. Fees to the auditor are paid continuously over the period on an approved current account basis – see Note 6.

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

The auditor's opinion on this Corporate Governance Report is presented on page 124.

COMPLIANCE WITH THE SWEDISH CORPORATE GOVERNANCE CODE

SkiStar has complied with the Code during the 2020/21 financial year without any deviations.

4 November 2021

Board of Directors, SkiStar AB (publ)

BOARD COMPOSITION, ATTENDANCE AND FEES IN 2020/21

	Elected	Independent the Company & its management	Independent major shareholders	Attendance Board of Directors	Attendance Audit Committee ¹⁾	Attendance Remuneration Committee ¹⁾	Fees ²⁾ Board of Directors	Fees ²⁾ Committee
Elected Board Members								
Eivor Andersson	2011	✓	✓	16/16	—	3/3	500,000 (1,100,000) ³⁾	50,000 (50,000)
Lena Apler	2015	✓	✓	15/16	6/6	—	220,000 (220,000)	100,000 (100,000)
Sara Karlsson	2019	✓		16/16	—	3/3	220,000 (220,000)	25,000 (25,000)
Fredrik Paulsson	2017			16/16	6/6	—	220,000 (220,000)	50,000 (50,000)
Gunilla Rudebjer	2019	✓	✓	16/16	6/6	—	220,000 (220,000)	50,000 (50,000)
Anders Sundström	2019			14/16	—	—	220,000 (220,000)	—
Employee representative								
Patrik Svärd	2017	—	—	16/16	—	—	—	—

1) Presence relates to meetings during the financial year, 1 September 2020 – 31 August 2021.

2) Fee in accordance with decision of 2020 AGM.

3) Includes the Chairman's ordinary fee of SEK 500,000 and the extra fee of SEK 600,000 adopted by the 2019 AGM.



The auditor's examination of the corporate governance statement

REVR 16 THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE REPORT

To the general meeting of the shareholders of SkiStar AB (publ), corporate identity number 556093-6949

The Board of Directors is responsible for that the corporate governance statement on pages 119–123 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 4 November 2021
PricewaterhouseCoopers AB

Camilla Samuelsson
Authorised Public Accountant



Board of Directors

**EIVOR ANDERSSON**

Chairman of the Board, Chairman of the Remuneration Committee

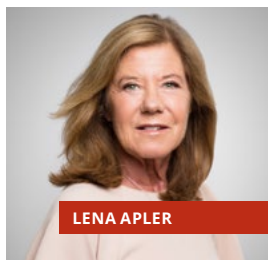
Born: 1961
Elected: 2011

Principal education and professional experience: Marketing diploma, management training IHM Business School. Former President and CEO of TUI Nordic and CEO of Ving Sverige AB. Extensive and broad experience of the travel industry and within concept development for consumer companies.

Other significant assignments: Director of Mekonomen Group AB (publ), AB Svenska Spel and First Camp Group AB (until 3 October 2021).

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar¹⁾: 9,000 B shares.

**LENA APLER**

Board member, Chairman of Audit Committee

Born: 1951
Elected: 2015

Principal education and professional experience: University studies and SEB Higher internal bank training. Extensive experience in consumer and services market through her role as founder and owner, and previously CEO and executive chairman of listed Collector AB and Collector Bank.

Other significant assignments: Director of Helichrysum Gruppen AB.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar¹⁾: 10,000 B shares.

**SARA KARLSSON**

Board member, member of Remuneration Committee

Born: 1969
Elected: 2017

Principal education and professional experience: Upper Secondary, entrepreneur.

Other significant assignments: Strategy & Projects at Backahill AB, Board member of Backahill AB.

Independence: Not independent of major shareholders at the Company. Independent of the Company and its management.

Shareholding in SkiStar¹⁾: with family and companies 18,287,420 B shares, corresponding to 23.3 percent of the capital and 16.4 percent of the votes.

**FREDRIK PAULSSON**

Board member, member of Audit Committee

Born: 1972
Elected: 2017

Principal education and professional experience: Upper Secondary. Experience as CEO and Director of Kranpunkten Skandinavien AB and Ekhaga Utveckling AB.

Other significant assignments: CEO and Director of Kranpunkten Skandinavien AB and Ekhaga Utveckling AB. Board member of Peab AB and Board member of Mats Paulssons Stiftelse and Stiftelsen Stefan Paulssons Cancerfond.

Independence: Not independent of the Company, its management and major shareholders.

Shareholding in SkiStar¹⁾: with family and companies 3,648,000 A shares and 15,284,978 B shares, corresponding to 24.2 percent of the capital and 46.6 percent of the votes.

**GUNILLA RUDEBJER**

Board member, member of Audit Committee

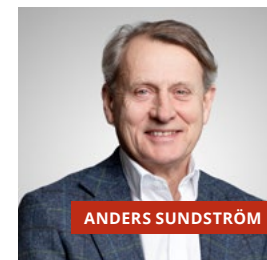
Born: 1959
Elected: 2019

Principal education and professional experience: MBA. Many years of broad experience from the experience industry. Former CFO of Scandic Hotels, Cision, Parks & Resorts Scandinavia, Mandator and TUI Nordic.

Other significant assignments: Board member of Ambea AB (publ), NCAB Group AB (publ), Oriflame Holding AG and SSC Svenska Rymdaktiebolaget.

Independence: Independent of the Company, its management and major shareholders.

Shareholding in SkiStar¹⁾: with family 1,900 B shares.

**ANDERS SUNDSTRÖM**

Board member

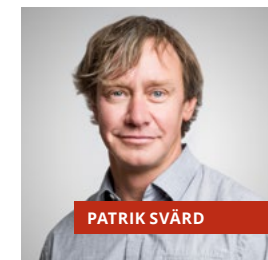
Born: 1952
Elected: 2019

Principal education and professional experience: Fil. of Arts Former Chairman of Swedbank and KF. Many years of operational experience in industry and the financial sector, including CEO of Folksam. Has held several ministerial posts and other political assignments.

Other significant assignments: Chairman of Medicon Village Fastighets AB, NMI Group AB, Hedlunda Industri AB, Swedegas AB and Ekhaga Utveckling AB. Director of SCA.

Independence: Not independent of major shareholders at the company and not independent of the Company and its management.

Shareholding in SkiStar¹⁾: with family and companies 5,000 B shares.

**PATRIK SVÅRD**

Employee representative, appointed by HRF.

Born: 1970
Elected: 2017

Principal education and professional experience: Upper Secondary. Employed by SkiStar since 1998.

Other significant assignments: –

Independence: –

Shareholding in SkiStar¹⁾: –

1) Own and closely related natural or legal persons' holdings of shares and other financial instruments in SkiStar AB. The information above is correct at 31 August 2021.



Management

**STEFAN SJÖSTRAND**

CEO

Born: 1968

Employed by the Company since: 2020

Principal education and professional experience: DIHM Marketing Economist degree. 13 years' experience with IKEA in positions including Commercial Manager IKEA Group, member of the Management Board and Group Management, CEO of IKEA Canada, Deputy CEO of IKEA France and Business Area Manager at IKEA of Sweden. Also has experience from various CEO and management roles at Weibulls, OLW, Malaco, Marabou and others.

Significant directorships outside the Company: Chairman of Ber-
tegruppen AB and Director of
Derome AB.

Significant shareholdings and ownership interests in companies with which the Company has significant business relationships: –

Shareholding in SkiStar¹⁾:
12,000 B shares.

**PETRA HALLEBRANT**Communications and
Sustainability Director

Born: 1974

Employed by the Company since: 2020

Principal education and professional experience: Bachelor's degree in media and communication science. Former Secretary-General of the UN Association of Sweden, Head of Communications and Sustainability at Telge Energi, and various communications management roles at UNICEF Sweden and other organisations.

Shareholding in SkiStar¹⁾:
1,000 B shares.

**ANDERS ÖRNULF**

CFO

Born: 1976

Employed by the Company since: 2018

Principal education and professional experience: MBA. Former Chief Controller at Preem Group, various managerial positions at AB Svenska Spel and ICA AB.

Shareholding in SkiStar¹⁾:
3,302 B shares.

**MATHIAS LINDSTRÖM**

Commercial Director

Born: 1972

Employed by the Company since: 2007

Principal education and professional experience: Bachelor of Economics. Former Nordic Marketing Manager Fritidsresor, Sales and Marketing Manager Langley Travel.

Shareholding in SkiStar¹⁾:
15,774 B shares.

**SOFIE ARNELL**General Counsel and Head of
IR

Born: 1986

Employed by the Company since: 2017

Principal education and professional experience: Master of Laws. Former associate and lawyer at law firms Lindahl and Ramberg Advokater, district court service as law clerk.

Shareholding in SkiStar¹⁾:
1,000 B shares.

**NICLAS SJÖGREN BERG**

Operational Director

Born: 1969

Employed by the Company since: 1989

Principal education and professional experience: Marketing Diploma IHM. Various positions previously held within the SkiStar Group. Business Area Manager Ski School Tandådalen & Hundfjället AB.

Shareholding in SkiStar¹⁾:
20,609 B shares.

**LARS-GÖRAN DAHL**Property Development
Director

Born: 1961

Employed by the Company since: 2020

Principal education and professional experience: MBA. Former Director of Business Development at Diös, Head of Riksbbyggen's commercial operations in Sweden and former Director of SBC and SkiStar.

Shareholding in SkiStar¹⁾:
800 B shares.

**CAMILLA SUNDQVIST**

HR Director

Born: 1983

Employed by the Company since: 2003

Principal education and professional experience: Staff and professional life programme, Folkuniversitetet in Stockholm, Market Economics IHM Business School involving operational governance, finance, marketing and labour law. Previous experience at the foreign organisation of Ving and various management positions at the SkiStar Group.

Shareholding in SkiStar¹⁾: –

The above-mentioned people comprise SkiStar's Group Management as of 1 September 2021, with the HR Director a newly appointed member. During the 2020/21 financial year, SkiStar's Group Management consisted of seven people: the CEO, CFO, Commercial Director, General Counsel/IR Manager, Operational Director, Property Development Director and Communications and Sustainability Director from 1 November 2020.

1) Own and closely related natural persons' holdings of shares and other financial instruments in SkiStar AB. The above information is correct at 31 August 2021.



Other information



FINANCIAL STATEMENTS

Interim reports and the year-end report for the 2021/22 financial year will be published as follows:

Q1 interim report

- 1 September 2021–30 November 2021, 20 December 2021.

Half-year report

- 1 September 2021–28 February 2022, 17 March 2022.

Q3 interim report

- 1 September 2021–31 May 2022, 17 June 2022.

Year-end report

- 1 September 2021–31 August 2022, 4 October 2022.

Interim and annual financial reports are available at www.skistar.com/en/corporate.

ANNUAL GENERAL MEETING

SkiStar's Annual General Meeting will be held at 2 p.m. on Saturday 11 December 2021 at Experium in Sälen. Shareholders are offered the opportunity to vote in advance (postal voting) instead of physically attending the meeting.

Shareholders wishing to attend the Annual General Meeting must be listed in the register of shareholders kept by Euroclear Sweden AB as of Friday 3 December 2021 and must notify the Company of their intention to attend no later than Tuesday 7 December 2021. Notice of intention to attend should be made in writing to SkiStar AB, "Ärsstämman", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, by e-mail to generalmeetingservice@euroclear.com, or via the Company's website at www.skistar.com/en/corporate.

More information can be found in the AGM notice and associated documents, available at www.skistar.com/en/corporation.

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